

JANUARY 15, 1933

The Magazine for
MARKETING EXECUTIVES

SALES *management*

**Science vs. Guesswork
in 1933 Sales Quotas**

**Employee Sales Drive
Nets \$446,000 Sales
in Five Months . . .**

**Timken's Consign-
ment Plan and How
It Is Working**

TWENTY CENTS

THANK YOU, MR. ADVERTISER THANK YOU, MR. WHITE—

THIS recent 1932 survey was made for a leading advertiser by Percival White, Inc.—without the knowledge or consent of any publication. . . . Its only purpose was to obtain facts which would help the advertiser spend every selling dollar in the most efficient possible way. . . . It required 100 interviewers, working house to house in 37 cities, rating 4066 readers of 14 leading large-circulation magazines: *Good Housekeeping*, *Ladies' Home Journal*, *McCall's*, *Woman's Home Companion*, *Pictorial Review*, *Delineator*, *American*, *Cosmopolitan*, *True Story*, *Red Book*, *Collier's*, *The Saturday Evening Post*, *Liberty*, *The Literary Digest*. . . . A carefully planned questionnaire asked eight key questions (see summary), selected to grade readers for *buying ability* and *buying activity*.



THE WINNERS

Percentage of readers	First	First of Weeklies
—living in “A” and “B” homes	Literary Digest	Literary Digest
—living in single family homes	Literary Digest	Literary Digest
—employing servants	Literary Digest	Literary Digest
—of executive or professional type	Literary Digest	Literary Digest (ABLE TO BUY)
—owning automobile	Literary Digest	Literary Digest
—owning radio	Literary Digest	Literary Digest
—owning automatic refrigerator	Good Housekeeping	Literary Digest
—subscribing to magazine	Delineator	Literary Digest (BUYING NOW)

All this seems remarkable evidence for the buying ability and buying activity of *The Digest* audience.

However, no reader survey is significant unless it checks with opinions already formed by those who have given serious study to the matter of *Who-reads*.

Most advertisers agree already that *The Digest* makes conversation among those whose conversation means something—that *The Digest* appeals to responsible and responsive people.

Probably you are interested, but not surprised, by the results of the White survey here sketched.

Shall we send you a more complete summary and analysis—and shall we send you samples of our mailing list for examination—there you will find the buying ability that led Percival White to sum up the findings of his investigators in these words: “DIGEST READERS APPARENTLY HAVE MORE MONEY TO SPEND THAN READERS OF OTHER MAGAZINES.”

THE LITERARY DIGEST
SOUNDING-BOARD OF AMERICAN OPINION

Two birds with One stone

MANUFACTURERS who want to kill two birds with one stone concentrate their advertising in *The American Weekly*.

Concrete results prove that this Mighty Magazine not only creates consumer action but wins whole-hearted coöperation from the trade.

Dealers who yawn over an advertising portfolio and turn a deaf ear to requests for shelf, window and counter display, gladly stock and push merchandise that is advertised in *The American Weekly*.

They do this for the simple, selfish reason that experience has taught them active consumer buying follows advertising in this magazine.

With a circulation of over 5,000,000, *twice as great as the circulation of any other magazine*, *The American Weekly* is powerful enough to make its force felt in every important buying center.

For \$16,000 an advertiser can reach with a full page in four colors—a page double the size of any other magazine page—one out of every five families in the nation.

At a cost of less than $\frac{1}{3}$ cent per family he can cover the richest buying areas of the nation.

Circulation alone does not explain the tremendous force of *The American Weekly* as an advertising medium.

The absorbing interest with which this magazine is read by every member of every family it reaches, is a powerful factor in getting results for the advertiser's money.

Edited with the knowledge of "What interests people and why," *The American Weekly* is a potpourri of fact and fiction calculated to appeal to every mind.

It details the fascinating lives of real people "who strut their little day upon the stage"—outlining the loves, triumphs and tragedies of royalty and Cinderella and the people of stage and screen.

For the more scientifically inclined and for the introspective, there are articles on the mysteries of life and death, the latest discoveries of medicine, astronomy, archaeology, philosophy and religion.

To kindle the wanderlust, there are stories of travel in far-off lands where strange people live and love and die in accordance with other codes and morals.

Absorbing fiction in serial form, from the pens of famous writers. Household hints, fashion and cookery, are all part and parcel of the plan.

That's why every member of every family reads with interest every issue of *The American Weekly*. That's why it is the most interesting magazine in the world.

Where this Magazine goes

The American Weekly is the largest magazine in the world. It is distributed through 17 great Sunday Newspapers. In 558 of America's 995 towns and cities of 10,000 population and over, *The American Weekly* concentrates 70% of its circulation.

In each of 136 cities, it reaches one out of every two families

In 105 more cities, 40 to 50% of the families

In an additional 153 cities, 30 to 40%

In another 164 cities, 20 to 30%

... and, in addition, more than 1,750,000 families in thousands of other communities, large and small, regularly buy and read *The American Weekly*.

Where can you spend your advertising dollar more effectively?

THE AMERICAN Greatest Circulation in the World WEEKLY

"The National Magazine with Local Influence"

Main Office: 959 Eighth Avenue, New York City

Branch Offices: PALMOLIVE BLDG., CHICAGO . . . 5 WINTHROP SQUARE, BOSTON . . . 753 BONNIE BRAE, LOS ANGELES . . . 222 MONADNOCK BLDG., SAN FRANCISCO
11-250 GENERAL MOTORS BLDG., DETROIT . . . 1138 HANNA BLDG., CLEVELAND . . . 101 MARIETTA ST., ATLANTA . . . INTERNATIONAL BLDG., ST. LOUIS

SALES MANAGEMENT, published semi-monthly, on the first and fifteenth, except in March and October, when it is published three times a month and dated the first, tenth and twentieth; copyrighted and published by Sales Management, Inc., 420 Lexington Ave., New York, N. Y. Subscription price \$4.00 a year in advance. Entered as second-class matter June 1, 1928, at the Post Office, N. Y., under the Act of March 3, 1879. January 15, 1933. Vol. XXXII, No. 2.



Are
your
Letters
getting

what they go
after?

Are you getting a satisfactory number of live, interested inquiries? Are orders coming along in profitable volume? Are you really satisfied with present results.

What better time than now—with the new year—to make a new start? Perhaps I can help you to find the new slant that is just what you're seeking. I make no extravagant promises—paint no rosy pictures. But my experience of fifteen years in successfully merchandising by mail is at the command of a limited number of forward-looking clients. Let's talk over **your** problems. No cost, of course—and no obligation.

* * *

Readers of the "Sales Letters" department in this publication who are interested in a more comprehensive study of letter principles, will find Maxwell Droke's **Letter Laboratory** of great practical value. This is an eighteen-section portfolio of letter data, indexed for ready reference. It presents and analyzes scores of letters that brought inquiries and orders; letters that opened new accounts and revived old ones; letters that gained the co-operation of wholesalers and dealers; letters that inspired salesmen and agents; adjustment letters; good-will letters—the whole range of business correspondence. The price is \$7.50. We'll gladly send a copy to a responsible executive on ten days' approval.

MAXWELL DROKE

P. O. Box 611

Indianapolis, Indiana

Survey of Surveys

BY WALTER MANN

Surveying a Survey of Beauty

Modern Magazines, i.e., *Modern Romances* and *Modern Screen*, in an effort to learn some definite facts about the cosmetic preferences of their readers, sent a questionnaire to 3,000 women who had previously written to Mary Biddle, beauty editor of Modern Magazines. Six hundred and sixty-one women replied.

The percentage of returns—22 per cent—was very good, especially since no premium nor other inducement was used to encourage returns. The letter asking readers' co-operation was brief, concise, and very much to the point. The questionnaire was simple and easy to fill out. On the left was a column listing the following beauty preparations and toilet goods: Acne Remedy, Astringent Cream or Lotion, Blackhead Remedy, Bleach or Freckle Cream, Brilliantine, Bath Salts, Cleansing Cream, Cleansing Tissue, Cuticle Softener and Remover, Deodorant, Depilatory, Eye Bath, Eyelash Grower, Eyeshadow, Face Powder, Hair Dye, Hair Rinse, Hair Tonic, Hand Cream or Lotion, Lipstick, Mascara, Mouth Wash, Nail Polish, Perfume, Pore Closer, Powder Base, Powder Puffs, Rouge, Shampoo, Skin Tonic, Sunburn Remedy, Talcum Powder, Tissue Cream, Toilet Soap, Toothpaste, Waveset Lotion. What a complicated creature the modern woman is—to be sure!

The next question asked the sizes of these goods where the responder usually bought. Her other favorite brands were listed in a third column. An intelligent questionnaire and an equally intelligent approach. The 661 responders mentioned 1,776 brands in 36 classifications, including occasional brand duplications in two or more classifications. There were 10,571 references for various cosmetics (boy!) expressed by these 661 responders, an average of 16 per responder (boy, oh boy!). In other words, the average responder is a customer for 16 of the various products listed. Twenty-six per cent of all cosmetics purchased were bought in the 10-cent size which, of course, leaves 74 per cent of the responders purchasing the larger sizes. Fifty-nine per cent of these were 25 cents and over.

The popularity of certain extensively advertised brands (and a few not so extensively advertised) was shown. In cleansing tissues, for instance, Kleenex had 153 and Pond's 116 out of 296 users. The balance was shared by 16 other brands. In cleansing cream, Pond's had 148, Woodbury 58, out of 550 users. Ninety-seven brands shared the rest with non-advertised brands beating advertised

brands in many instances. Out of 26 astringent users, 45 used Pond's, 28 used Elmo, 25 Max Factor, etc. There were 60 brands mentioned.

In face powders, Coty had 90 out of 602, Max Factor 40, Armand 44, Prince Pat 37, etc., (112 brands mentioned). Nail polish—out of 462 users, 358 used Cutex etc. Of toothpastes, Ipana led 617 users with 114, Pepsodent a close second with 107, Listerine with 96, Colgate's 73, etc.

The survey report itself is a model of simplicity and directness. The number of users of the 10-cent or less size, the 15-cent to 25-cent, 26 to 50-cent, 51-cent to 75-cent, 76-cent to \$1 and over \$1 classifications is also given. A study of the trade names of the sizes used, etc., give many a revealing fact about the Modern Magazine readers' tendencies. Well worth reading and studying carefully. Write to Fred Henry, care Modern Magazines, 100 Fifth Avenue, New York City, for your copy, or to SALES MANAGEMENT.

Mill Supplies and the Industrial Market

"Business leaders are agreed," says *Mill Supplies* (the magazine of industrial distribution), "that the greatest economies to be effected in the coming few years will be in the more efficient movement of products from producer to user. . . . This entails a thorough study of markets and the selection of distribution outlets in localities where sales potentials warrant them." Whereupon *Mill Supplies* proceeds, without further ado, to supply a grand group of industrial statistics, the like of which has not been compiled in one volume in many a moon.

After a two-page preface discussing the use of census figures in the determining of markets, it proceeds to give state figures on the number of manufacturing establishments, the cost of materials, fuel and purchased current, the value of manufactured products, the rated horsepower capacity of existing power equipment and the percentage of that state's total of all these figures of the U. S. totals.

Next come similar detailed statistics for principal counties, then for principal cities by counties, by states, and finally current statistics for manufacturing establishments by types of industry, i.e., food and allied products; textiles, etc.; iron and steel and other products (not including machinery); forest products; leather, etc.; rubber products; paper, printing, etc.; chemicals, etc.; stone, clay and glass products; other metals and metal products; tobacco manufactures; machinery; railroad transportation equipment; musical instruments, etc.; transportation equipment; railroad repair shops, and miscellaneous industries. Incidental U. S. maps show concentration of manufacturing industries and industrial distributors by counties. Concise, comprehensive, invaluable. Write for your copy to A. M. Morris, General Manager, *Mill Supplies*, 520 N. Michigan Avenue, Chicago, Illinois.



Pirie MacDonald
Walter Mann

CHICAGO AMERICAN LEADS

All Chicago Papers in

1932 Automotive Linage



IN the last three years conditions have conspired to make more and more apparent the Chicago American's ability to measure up to the one true yardstick of newspaper worth—results. As the pressure of sales need has increased, this newspaper has achieved greater and greater importance in the eyes of automotive advertisers as one which *delivers—and delivers* because of:

- 1—The buying power of the largest reader audience in its field;
- 2—Its ability to shape and stimulate the buying of that market;
- 3—Outstanding service rendered automotive advertisers in aiding them to more efficiently and economically plan and conduct *controlled* sales operations in the Chicago market as a whole.

With the industry's increasing awareness of these things has grown the Chicago American's share in automotive lineage carried by Chicago

newspapers; in 1932 the inevitable came to pass—the Chicago American swept into automotive advertising leadership over *all* Chicago newspapers, daily or Sunday. The score for the year was:

CHICAGO AMERICAN (Even'g)	465,560 Lines
Second Paper (Evening)	453,829 Lines
Third Paper (Morning)	407,959 Lines
Fourth Paper (Sunday)	225,341 Lines
Fifth Paper (Sunday)	212,811 Lines
Sixth Paper (Morning)	113,189 Lines
Seventh Paper (Evening)	40,401 Lines
Eighth Paper (Sunday)	4,118 Lines

Authority: Media Records.

CHICAGO AMERICAN

a good newspaper now in its TWELFTH YEAR
of circulation leadership in Chicago's evening field

National Representatives:

RODNEY E. BOONE ORGANIZATION

The Postman Whistles

We Make Our Own Luck, Too

IT will be appreciated if you will send me 50 reprints of page 515 of your magazine dated December 15. This article is entitled "Make Your Own Luck."

I've hammered at this point many times and I'll appreciate, therefore, an opportunity of bringing it to the attention of my men again.

Incidentally your December 15 issue impressed me more than many recent copies. Here's hoping that the same standard of success for this issue will be continued in 1933.

I. D. JOEL, Sales Manager,
The Kolynos Company,
New Haven, Connecticut.

(The single page messages to salesmen which have appeared periodically in SALES MANAGEMENT during the past eighteen months, which enjoyed the greatest demand from subscribers, have again been reprinted and are now available in sets so that a planned schedule of mailings can be made to the men in the field. Prices: 3 cents each in quantities up to 250; 2 cents each, 250 to 500; 1½ cents each, 500 or more. Information about special letters to accompany each may be had by addressing Readers Service, SALES MANAGEMENT, 420 Lexington Avenue, New York.—THE EDITORS.)

The Farmer—Buyer Not Beggar

IN my opinion, while 1929 may have been a boom year, I think it was more nearly normal than 1931, which was, if one may use such an expression, decidedly "the de-boom year."

I believe that we are due for a pick-up, especially if some rational plan can be worked out for the rehabilitation of agriculture. As I pointed out in an article appearing in *Manufacturers' Record* for August, agriculture and its products are still much more important in the economic life of the nation than a great many people seem to realize.

Further, without desiring to minimize in the slightest degree the importance of the big city markets, I am thoroughly convinced that the small city and rural market area offer one of the best opportunities in merchandising and that that is going to continue to be so. While my Census of Distribution data do not necessarily prove this, I am strengthened in this opinion not only from working over these data but also from the numerous conferences and the great amount of correspondence which I have had with men who are actively engaged in market research and sales analysis. I firmly believe that manufacturers and wholesale merchandisers need to give more careful consideration to this small city and rural market area, and that in merchandising it they must familiarize themselves with the actual buying habits and conditions of life among the residents thereof instead of jumping to the conclusion, as some of them seem to do, that small town and farm people are a race set apart and do not use the same kinds of merchandise that city people do. There are a lot of mighty fine retail outlets in that area!

CHARLES D. BOHANNAN,
In Charge of Rural and Agricultural Distribution, Census
of Distribution, United States Department of Commerce,
Washington, D. C.

The Power of Suggestion

THE following article appeared on Page 1 of the December issue of the Camden, New Jersey, *Courier-Post Advertising News*. Can you give us further information regarding this plan or refer us to any other articles which may have been written on it?

"Here's a tip every grocer in the Camden market can use.

"Each week plan on selling your customers one selected item.

"If there are clerks in the store, drill them all in sales talks or arguments for each week's feature. Every customer coming into the store should be offered this product. Every one who phones an order should be told about it.

"Results? Here's what Craig Davidson reports in *Voluntary Chain Stores*. He states: 'An actual test along these lines was described by SALES MANAGEMENT. In the first week the stores

interested advertised certain items and hooked up with window and store displays. They secured a 30 per cent increase on the special items.

"In their next experiment, these stores used the same advertisements, the same window displays, and in addition, clerks suggested one particular product to every customer entering or phoning the store. Sales on this item increased 1,200 per cent over normal distribution."

"This is an idea that has proved successful and is worthy of a trial by every merchant in this market."

R. S. LEISTER,
Kellogg Company,
Battle Creek, Michigan.

(The figures quoted were taken from an article entitled "Ten Million Tubes of Tooth Paste in Five Months is Record of New Dr. West Dentifrice," which appeared in SALES MANAGEMENT for August 31, 1929. This article was of special importance because of the clear manner in which it demonstrated the way returns can be multiplied if, instead of leaving the selling job to one medium, the various types of sales and advertising effort are intelligently coordinated. Advertising, display and personal sales work combined in this campaign to set spectacular sales records.—THE EDITORS.)

Men Against Women, Silver Against White

(Addressed to Maxwell Droke)

I AM greatly obliged for your letter. . . . I realize also that it is somewhat difficult for you to criticize the exact phrasing of a letter intended for shopkeepers in this country, but the main ideas do, of course, remain the same, even if the language differs slightly.

Since sending out that letter, we have had prepared the enclosed photogravure folder, headed "How Mr. Watson, of Harehills, made extra pounds a week profit," which we have sent out in large numbers with very good results.

Even better results have been obtained from a letter which we have sent out to our old customers enclosing a special inquiry form printed on silver paper. . . . I believe it is the novelty of the inquiry form which has enabled us to obtain better results from the latter letter than from any previous letters which we have sent to our old customers and also to new prospects.

One of the troubles with automatic machines is that they deteriorate in appearance when they are left out in the open for twenty-four hours a day, and the glittering surface of the silver paper suggests instantaneously the qualities of Staybrite steel.

I am a very keen reader of SALES MANAGEMENT, and I would like to compliment you upon the section which you edit. Your whimsical humor has a charm all its own and my wife (who is Irish) enjoys your section of the paper as much as I enjoy the whole of the magazine. I am sure there is no other magazine in this country or anywhere else in Europe that can compare to SALES MANAGEMENT.

F. GRAUCOB, Managing Director,
F. Graucob, Ltd.,
London, E. C. 1.

(SALES MANAGEMENT has been amused before by complaints from business men that their copy of SALES MANAGEMENT has been "snatched" by their wives. Which proves something—we do not quite know what.—THE EDITORS.)

Thanks for the Words—and Action!

RECEIVING so many magazines, periodicals and the like, and not having the time to read them, I definitely decided to discontinue our subscription to SALES MANAGEMENT.

However, upon reading of the reinstatement of scrip and mileage books—an act for which SALES MANAGEMENT no doubt deserves the major credit—I cannot help but show my appreciation, which I am doing by approving the renewal of our subscription—further information on which will reach you through our purchasing department.

H. E. KOMITCH, Sales Manager,
Prest-O-Lite Storage Battery Sales Corporation,
Indianapolis, Indiana.

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SALES *management*

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Sales Letters

BY MAXWELL DROKE

Lo! the Poor Debtor

THERE is a pretty general agreement, I think, that these times demand a somewhat different technique on collections. Many a debtor who has punctually met his obligations in the past is now hard-pressed for funds. He cannot meet all of his obligations as promptly as he would like. And it is only human nature to give preference to those creditors who show some friendly consideration for his plight. I do



Maxwell Droke

not mean to infer that this is a time to let down the bars—to become more lax in our collection procedure. Quite the contrary. But the old hammer-and-tongs collection letter, applied to the general run of delinquent debtor, is distinctly out of date. It gets us nothing but ill will. I was interested in examining, recently, a collection letter of the newer type; a timely appeal that impressed me quite favorably. It was used by the Master Metal Strip Service, Inc., and Mr. Dahl, the sales manager, tells me that results were uncommonly good. Here it is:

"While this is the time of year when everyone, including ourselves, should be filled with holiday spirit, there are certain unpleasant duties that must be performed. One of these duties is to advise you that your account is long past due, the total being \$111.66. You can easily understand, Mr. Blank, that in order for us to pay our obligations, it is necessary for us to collect our bills promptly.

"It has always been our aim to consider our customers as friends and we try to give them the best service and co-operation that we can. Won't you reciprocate and help us out by cleaning up your account, so that we may start the new year with a clean page for you on our books?"

Installment Collecting

And while we are on this subject of collections, I have been impressed with the increasing tendency to apply the principles of the installment business to the collection department. Installment collecting, in times like these, is working out quite as well as did installment selling in a more prosperous era. To cite an example, a Seattle printer—Will A. Kistler Company—has been using a series of collection stickers designed entirely around this idea of "installment collecting," with such headings as "You can make business better by paying a little on this account," "Your check for just a part of this bill

And It's a Good Show

You recall the story of the acrobat who for seventeen years had been opening or closing vaudeville shows. One day a friend said to him, "Hey, Bill, you're getting into a rut. Why don't you get a new act?" "What's the use?" responded Bill, "nobody's seen this one yet!"

Just about the time we are ready to conclude that every reader of SALES MANAGEMENT must know by this time of our standing offer to criticize letters, without cost or obligation, we run across someone who has not yet heard the news. So, for the benefit of newcomers, we repeat: *Send in your letters!* (A stamped, addressed envelope, for the reply, please.)

will help us both," "Why not just pay a little each month?" etc. A constructive idea that might well be applied in many a business for 1935.

The Soul of Wit

Discoursing on the theme of effective brevity, one of my correspondents sends me a clipping, relating the story of an old Negro who, in earlier years, had been a servant in the household of a certain Southern governor. Tried and convicted of murder, this old Negro had been counting rather heavily on executive intervention. But the time of execution was drawing nigh, and no word had come from the governor's mansion. Our Ethiopian friend decided that the time had come to do something about it. Knowing that the governor was a busy man, he decided to write a letter, and to make it as brief as possible. This is the result:

"Dear Massa Govenor:

They is fixin to hang me on Friday, and hear it is Tuseday.

Respectabley,"

On Catching Customers

If this too, too solid type were only fashioned of rubber, I'd like to squeeze into these columns all of the good letters which my friend Bill Kier writes for the good house of James Gray, Inc., New York lettersmiths. They are worthy of such distinction. But at any rate, I'll share a portion of this one:

"Remember when your mother used to say, 'Go catch me a chicken and we'll have it for dinner'?

"Did you run after the chicken?

"You did not. You took a handful of grain and went out near the coop. You let the chickens see the grain—sprinkled some on the ground, and when they came to peck at it, you easily selected the one you wanted.

"Now you're grown up. You've got a business. Your business dinner-table needs a few more fattening meals of good-paying customers. Even the crumbs are getting smaller and fewer.

"Let's go catch a chicken.

"Here are a few things to remember: we must know where the prospects are; our 'lure' must attract their favorable attention; we must not scare them off with the rattle of unbelievable statements.

"I'll prepare the grain (letters) that will bring them right up to you.

"Don't rare back on your heels and say 'It can't be done.' We are doing it. And don't listen to hard luck stories other fellows tell about how bare their tables are. That's adversity seeking sympathy. Let them try to set a table with talk while we go catch some customers. . . ."

Blessed Be the Tie-up

Every alert sales executive knows that one of the most effective ways to land an order is to get a disinterested outsider to go to bat for you. It is a principle often applied in personal selling. But in mail merchandising we are not always so quick to take advantage of such opportunities as come our way. That's why I was particularly interested in observing, some months ago, a tie-up which Western Union Telegraph made with a current Babson report. When the statistical organization counseled in one of its releases, "Cut selling costs by telegraphing. Greater use of the telegraph in selling bears careful investigation . . ." and some two hundred additional assorted words on the same theme, Western Union looked upon this as manna from heaven, and meat on the table. A letter, quoting liberally from the report, was immediately circulated to all business patrons. And I shouldn't wonder if it ranked among their most fruitful producers for the year 1932.

Thin Ice!

A valued correspondent has written to ask my opinion of a letter to a general list, which begins after this rather startling fashion:

"Dear Sir:

"*It's poison!*—

—and a deadly one, to procrastinate in the matter of . . . , etc."

My opinion, briefly, is that such letters are far better left unmailed. I have a pronounced prejudice against the letter which tricks a reader's interest or curiosity through some extraneous or exaggerated statement. The reader may give such a letter the ten seconds or so necessary to "see what it's all about." He may even go so far as to say, "That's a clever opening!" But it takes his mind away from the message you want to get across. And, of course, there's always the possibility—even the strong probability—that we may antagonize the touchy prospect. Tread softly, brothers. The ice is thin!

The MOST AMAZING VACATION EVER CONCEIVED



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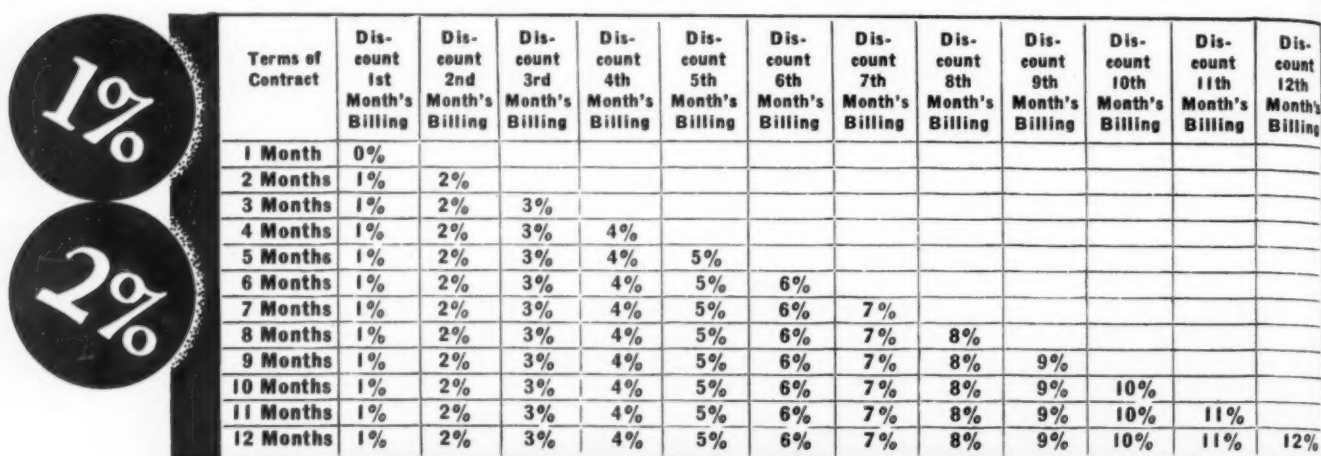
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1 Month	0%											
2 Months	1%	2%										
3 Months	1%	2%	3%									
4 Months	1%	2%	3%	4%								
5 Months	1%	2%	3%	4%	5%							
6 Months	1%	2%	3%	4%	5%	6%						
7 Months	1%	2%	3%	4%	5%	6%	7%					
8 Months	1%	2%	3%	4%	5%	6%	7%	8%				
9 Months	1%	2%	3%	4%	5%	6%	7%	8%	9%			
10 Months	1%	2%	3%	4%	5%	6%	7%	8%	9%	10%		
11 Months	1%	2%	3%	4%	5%	6%	7%	8%	9%	10%	11%	
12 Months	1%	2%	3%	4%	5%	6%	7%	8%	9%	10%	11%	12%

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EFFECTIVE January 1st, 1933, the General Outdoor Advertising Co., Inc., inaugurates a new Continuity Discount Plan, by which discounts will be allowed on continuous poster advertising contracts for terms of more than one month in the same city or cities at the rate of 1% for the first month's billing after the inauguration of this policy, increased by 1% for each successive continuous month up to twelve months.

In inaugurating this Continuity Discount Policy, the General Outdoor Advertising Co., Inc., feels that it is cooperating by offering every possible advantage to the user of Poster Advertising, and also desires to call particular attention, not only to the economies of the Continuity Discount Plan, but also to its rates for Poster Advertising which constantly have been and still are the lowest—in the highest buying markets of America.

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General Outdoor Advertising Co.

INCORPORATED

HARRISON AND LOOMIS, CHICAGO, ILL.

Significant Trends

As seen by the editors of *Sales Management* for the fortnight ending January 15, 1933:

• • • The year-end predictions of business, financial and political leaders were of a less optimistic nature than ever before, and, being so, they didn't afford the jeering populace the usual opportunity to say, "oh, yeah!"

• • • This January there is a widespread spirit of facing the facts and this, itself, is a reason for optimism. Gone is the hope for miracles, and the belief that astrologers or horse doctors or politicians or a superman will pull us out of our troubles.

• • • There seem to be valid reasons for believing that the nation is started on the road to recovery, that the financial crisis was passed last Spring, that the unemployment situation, eliminating seasonal changes, is improving, that commodity prices will not decline much further, that there is tremendous pent-up replacement demand for all types of products.

• • • The wreckage still to be cleared away represents largely "dead" capital assets. Debts of one kind or another owed in this country are estimated as being in excess of 125 billion dollars, which at an annual interest charge of $5\frac{1}{2}$ per cent puts a burden of \$240 on every family. Since the average family earned less than \$1,600 last year, the interest charges consume about 15 per cent of the budget. With sinking funds added, the outgo on indebtedness is doubled. Taxes of one kind or another, and the debt burden, eat up half of the average family income, although to most householders this is concealed in the prices of things they buy and the rent they pay.

• • • Thomas F. Woodlock says that, "the attempt to collect interest and principal of 'lost capital' and to keep that capital on the world's books of account, as if it had not been lost and were still real, live, productive capital, is surely one of the fundamental causes of the present economic crisis. It is doubtful that the crisis will be resolved until these dead 'assets' or a large part of them are written off the world's books."

• • • So it seems logical to believe that the remaining barrier to a return of more prosperous times are debts which cannot be paid, and that the actual remedy for this excess of indebtedness is likely to be a surgical operation which will write debts down to a "capacity to pay" basis, with considerable shifting of properties from debtors to creditors.

• • • The combined index of business (as compiled by *Bradstreet's Weekly*) shows a growing resistance with the passing years of depression, a drop of 39 per cent taking place in 1930, 19.3 per cent in 1931 and 17.4 per cent in 1932. Failures show a much better record at the end of the year than they did for the previous year. Four weeks in December with aggregate failures of 1,854 marks a decline of 16.4 per cent from the total of 2,201 for the corresponding period in 1931. Among other series that hold their improvement over the low point of the year are carloadings, automobile production, cotton consumption, bituminous coal production, bond prices, gold stocks and bank deposits.

• • • Those who follow statistical comparisons will gain solace and encouragement in the coming months from more favorable comparisons with figures of a year ago. Carloadings, for example, have almost caught up with last year, and automobile production right now is in excess of the three-year January average.

• • • According to the Fisher index of business conditions, business in December was 50.9 per cent below normal, which was a gain of 3.4 per cent over the expected seasonal gain for the month.

Prices

As of January 9 the Irving Fisher all-commodity index of wholesale prices stood at 57.4 per cent and the purchasing power of the dollar was 174.2 per cent (1926 equaling 100). Commodity prices closed the year 1932 at the year's low of 57.6. The year's opening average (and the high) was 66.1 per cent.

• • • Security prices (New York *Herald Tribune* common-stock average) closed the year at 84.17, a decline of only 6 points during a year of acute depression. Stocks of New York banks advanced 16.5 per cent during 1932.

• • • Government bonds, despite threats of inflation and further "raids on the dollar," reached 1932 peaks as the year closed, and, with other bonds, have continued to gain.

• • • Last Summer millions of people thought they would ride back to prosperity on the back of a hog, but by the end of the year the poor hog was dragging along on his belly, and the average of \$2.85 a hundred pounds was 5 cents below the previous 54-year mark.

• • • Prices in the grain trade at the opening of the year were materially lower than a year ago. Wheat was down 11 cents, corn 15 cents, oats 9 cents, rye 13 cents a bushel.

• • • The new year started with many price reductions on manufactured commodities—gasoline, cigarettes and coffee being among the more important.

• • • The Ward and the Sears mid-winter "flyer" catalogs as usual showed price reductions on the featured seasonal goods, but the average drop was small, and references are made in a number of instances to the possibility that higher prices may prevail after February 28, when the catalogs expire.

Production

The most encouraging item in the production news of the fortnight is the gain in automobile output. As the year turned weekly production was 27,521 units, compared with 18,592 for the week last year, 20,416 in 1931 and 23,942 in 1930. The New York *Times* index at the close of the year was at the 1932 peak. The increased operating ratios were caused by the rush to get new models out. Retail sales will be the answer to whether the upward trend will continue.

• • • Some of the increases are staggering, De Soto January production, for example, is more than five times greater than last year.

• • • The employment index in Detroit was 48 on December 31, compared with 44.2 two weeks earlier.

• • • The decline in automobile production in the last three years is as follows:

	1930	1931	1932
Passenger cars	2,943,200	2,045,000	1,198,500
Trucks	561,800	420,000	237,500

• • • Heavy engineering construction contracts for the week ending January 4 (despite the intervening holiday) reached a figure surpassed only twice in 1932. The total of \$38,329,000 not only surpassed last year's average January figure but is all the more impressive in the face of the lowest Federal Government awards reported in years—only \$675,000.

• • • Electric power production showed a sharp rise for the week ending January 7 and the adjusted index of the *Times* reached the highest point since last March.

• • • An industrial survey recently completed by the Ethyl Gasoline Corporation shows definite gains. The New York and Chicago areas, the two greatest industrial sections, are said to be participating in a small-scale revival, with indications that the gains would be held.

• • • Thanks largely to the automobile makers, steel output in December not only held above the Summer lows but increased a couple of points. The output of 13 million tons for the calendar year was the smallest production in thirty years.

• • • Unfilled orders of the United States Steel Corporation declined only 161 tons in December, as against a falling off of 199,000 tons in the final month of 1931. The decline, slight though it was, was in contrast to a normal upturn for the month.

Distribution

December retail sales were satisfactory in unit volume but not in dollars. Christmas giving was characterized by an abundance of low-priced presents. Department store sales declined an average of 23 per cent from last year.

• • • Business activity in December, as measured by bank debits, was fairly stable, and decreases from a year ago showed a narrowing spread.

• • • Carloadings for the week ending December 24 for the first time in 1932 showed an increase over the same period a year ago, the totals being 494,580 and 440,899. Unfortunately there has to be a "catch" in this comparison. Christmas Day fell in the 1931 week used in the comparison. Nevertheless, the carloadings figures since the October top have shown less than the average seasonal decline.

• • • Cities which were considerably better than the average in November department store sales included (in percentage of decline) Akron, 8.3; Tulsa, 12.6; Toledo, 13.7; Providence, 14.0; Richmond, 14.3; Baltimore, 14.6; Washington, 15.1; Rochester, 16.5; Buffalo, 17.7; New-ark, 17.8.

• • • All types of chain stores, including 33 major companies, showed a dollar decline in November of 11.5 per cent from the same month in 1931. For eleven months the decline was 13.6 per cent. Chains reporting much better than average sales included Kroger, First National, Woolworth, Grant, Penney, Melville Shoe, Western Auto Supply and Montgomery Ward.

• • • Kroger's sales in the Christmas week were larger than in 1931 despite an average decline of 16 per cent in retail food prices.

• • • Western Auto Supply's December business increased 8.5 per cent over last year; Montgomery Ward's declined only 3.8; Grant's were down 6.1.

Generalship

The Big-4 cigarette companies answered the growing competition of 10-cent brands by reducing list prices from \$6.85 per thousand to \$6.00. Immediately the large retailers dropped prices to 12½ cents. Based on the 1932 volume the reduction will cost the companies \$60,000,000, but this might be retrieved through capturing a larger percentage of the total market or by a pick-up in cigarette consumption.

• • • Monthly sales and profits of Axton-Fisher, maker of "Spuds" and the 10-cent "Twenty-Grand," show an enviable uptrend. Net profits for the first six months of 1932 were \$204,783, while for the next four months the figures jumped to \$671,452. From a low of \$547,979, in sales volume in January the monthly showing improved consistently, reaching \$3,388,310 in November.

• • • The Grigsby-Grunow Corporation announces that it will call back approximately 2,000 employees during January; that first-of-the-year unfilled orders are four times greater than at any time since the company announced their new refrigerators through *Good Housekeeping* in the Fall of 1931; that sales to consumers by New York and Chicago distributors during the past three months were double those of the same period a year ago.

• • • Willys-Overland announces a "come-back" campaign for 1933, to be featured by a new 4-cylinder car to sell at \$395, the lowest price for any car except the bantam Austin and Continental's new \$355 gour.

Potpourri

Failures decreased as time passed in 1932, although for the fifth consecutive year failures went to a new high record. The final quarter, however, had only 18.3 per cent of the total, against 29.7 in the first quarter. In 1931 the corresponding periods showed 27.8 against 29.1. . . . *Bradstreet's* adjusted index of failures dropped at the end of the year to 107.9 per cent of the 1928-30 average. This is the lowest it has been since October 18, 1930.

• • • Sales and profits of the Noxzema Chemical Company have increased each year of the depression. 1932 profits jumped 21 per cent over 1931, and in the annual statement George H. Bunting, President, said, "To me, one of the most gratifying things about this statement is that it was accomplished without cutting salaries and without sacrificing personnel. No labor-saving machines have been installed to create additional profits by loss of employment to the workers."

Science versus Guesswork in 1933 Sales Quotas

BY

E. ST. ELMO
LEWIS*

Director, Marketing Division,
Advisory Management Corpora-
tion, Philadelphia,
and
President,
Aerocar Company, Detroit



Many a sales force, many a dealer organization is underselling a product because of the lack of an adequate, accurate picture of market potentials, or the lack of a specifically defined sales task. If you haven't set a quota for this year that is something more than somebody's haphazard hunch as to how much you can sell, do so immediately. Otherwise you're drifting. You're sailing a rudderless ship.

salesman sets a high quota to make a hit with the management and then alibis his failure to make it the rest of the year. The quotas set by salesmen are not scientific because they are not based upon a scientific knowledge of the potentiality. Of course, the salesman gets credit for his hopes and ambition—but not in money! The salesman very seldom knows his territory with respect to either the true competitive situation, non-customer attitude, or the field of demand he has not personally contacted. That is one reason why a new salesman so often increases sales.

Third, *The Quota of Comparisons*—that is the number of 'phones, number of income tax returns, the wired homes, the number of motor cars—all

or some of this data may bear on the quota for particular things—such as motor car registrations as a basis for quota of sale of motor horns. It is a start only.

Fourth, *The Quota Based on Past Performance*—in which you take the average sales volume for the past ten or five years, and add the per cent of annual growth of that period to it for this year. Some concerns base quota on sales expense. I say both are indefensible because they do not allow for wide variance of territory in purchasing power, changes in habits, style trends, fire, flood, disaster or crop failure, economic changes and new competitive situations.

Fifth, *The Quota by Territorial Opportunities*—we are getting down to the consumer as a determining factor. Before, the guesswork quota was a tug-of-war between management and sales department, the general management wanting a certain amount of business volume and the sales department daring them to get it.

Then the Salesmen's Set Quota as an attempt to get a little bit closer to the territorial situation and the Quota by Comparisons came down to an objective comparative figure, and now this, the Quota by Territorial Opportunities, gets down to the consumer, all the factors that are mentioned in the third—number of motor cars, income taxes, wired homes and the number of 'phones and all that sort of thing, plus a market survey and analysis of the standards of living, the purchasing power, the distribution areas, the outlets, *past sales performance of the organization*, all such factors being taken into consideration. This is getting

THE sales quota is the salesman's task. Anybody on the production side will know what I mean by the "task." Quota has the same relationship to the salesman's job as the task has to the operator in the factory. The quota is the ratio of reasonable performance to known opportunity. It is our sales expectancy based on what we know is the real opportunity for sales in a given territory in a given time. Quota methods may be roughly divided into six classifica-

First, *The Guesswork Quota*—based on the idea, "if you make it high enough, salesmen will have to stretch to gain it." It generally fails to act as an incentive because it is unscientific. It is rarely fair. It is not really a quota at all. It is Hope. After a while nobody pays any attention to this type of quota, even those who set it, thus defeating a quota's definite purpose, which is to serve as an incentive to high performance and a fair basis for rewards for accomplishments. The guesswork quota is always placed too high. The management apparently fears that somebody might make it! The management apparently tries to outguess the salesmen, and wants to keep the latter in a humble frame of mind. Better have none than a guesswork quota.

Second, *The Quota Set by Salesmen*—this is a favorite device of those who trade on democracy. It is unscientific. It frequently leads to overselling the customer by the salesman. The

*Mr. Lewis made a special study of the subject of quotas for a recent series of profit clinics held under the direction of the Advisory Management Corporation.

closer to the scientifically set sales quota.

Sixth, *The Scientific Quota*—When we come to the sales quota as the organization understands it who has used this device most successfully for the longest time and been most consistently successful in developing a high degree of fighting morale in their sales organizations, I choose to call it the Scientific Quota. First, it is based on the sales profit, to the company in dollars and cents. A quota is more than a volume of sales, it is money profit plus increasing good will, plus prestige, and is based upon an objective analysis of the potentialities, after a careful study of the present and past sales performance in each territory. The consumer of your kind of goods, actual and potential, is the person you are interested in. It does not matter if you are a manufacturer, selling to retailers or another manufacturer or to the consumer, the problem remains the same. What is the objective? If you are selling to architects and builders you must go beyond them to the consumer market that employs them and mould that market. *You cannot afford to let middlemen control your market, your product, your demand.*

Burroughs Adding Machine probably has done more pioneering work with respect to the scientific setting of sales quotas than any other organization. Burroughs developed its quota studies as a result of the background of its early executives who had been associated with John H. Patterson, of the National Cash Register Company, where the scientific sales quota idea got its start. When I went with the Burroughs, in 1904, the quota was crude. That is the reason why I criticize the unscientific quota as a waste of effort. I know how futile it is. Then and often since I have seen it fail.

Burroughs starts its quota studies with two things:

- (1) A careful analysis of all its past sales in any territory.
- (2) An analysis of all business enterprises in that territory.

The following, briefed from a report by a Burroughs writer (Metropolitan Life Studies) briefly describes the general method that Burroughs uses:

The quota of the company is resolved into points, each \$25 of sales constituting a point. Thus, a sale of equipment amounting to \$200 is equivalent to eight points. A total number of points is established at the beginning of the year as the company quota.

The business record of preceding years is used as a 50 per cent factor

in establishing sales quotas. This is represented by the number of machines already in use in the territory, regardless of date sold.

One half of the quota is made up on the basis of previous machines in use, for it is felt that where the company's products have already been sold there is an opportunity for additional sales. Suppose that the total number of points in use for the entire country is 5,000,000 points and one-half of the total quota for the year is 1,000,000 points. An agency, therefore, is expected to sell one point for each five points in use. To repeat, the total number of machine points in use is divided by the company's quota. This gives a valuation factor. For each number of machines in use it is expected to sell one machine having an equivalent sales value.

One-half of the total quota is distributed among the agencies at a pro rata basis, according to the point value of the machines already in use. The other half of the quota is distributed among the agencies on the basis of the number of business enterprises in each agency district.

It is not sufficient to estimate the quota on the basis of machines already in use. If a bank with deposits exceeding \$5,000,000 is using the company's products, it is reasonable to expect that other banks with equal deposits can likewise advantageously use the company's machines.

The first step taken in distributing the quota among business enterprises was to prepare a new count of such enterprises in the United States and Canada. This count showed a total of approximately 2,500,000 enterprises, classified into ninety-seven divisions. Each sub-division is divided into four groups, according to the size of the concern. For example, in the case of banks, the size is determined by the size of deposits. A grouping of banks follows:

BANK GROUP

- Group 1—Banks with deposits exceeding \$5,000,000
- Group 2—Banks with deposits of \$1,000,000 to \$5,000,000
- Group 3—Banks with deposits of \$400,000 to \$1,000,000
- Group 4—Banks with deposits up to \$400,000.

In the case of commercial concerns the commercial rating is used in classifying such enterprises. For example:

COMMERCIAL GROUP

- Group 1—Includes concerns with rating of \$35,000 or more



Give the salesmen a fair quota, and then give them some specific incentive toward the attainment of it. The men who break their quotas in 1933 should be well rewarded, both through special bonuses or other form of direct compensation, and through recognition awards or worth-while merchandise prizes. This year incentives will count heavily.

Group 2—Includes concerns with rating of \$5,000 to \$35,000

Group 3—Includes concerns with rating under \$5,000

Group 4—Includes concerns not rated

The second step in distributing the quota on the basis of the enterprise count was to determine how much of the business should be secured from the major business classifications enumerated below:

Banks	Public Service	Retailers
Financial	Manufacturers	General
Government	Wholesalers	

The figures shown in the next table, which are purely fictitious and illustrative, give an idea of how such total business might be distributed for the last five years in the United States among the several products of the company:

	Per cent
Banks and Financial.....	28
Government	1
Public Service	3
Manufacturers, Wholesalers, Retailers and General.....	68
Total	100

A further analysis of past performance was made to determine how much business is secured from banks and commercial concerns in the various groups for each of the eight major classifications. These percentages are used in distributing one-half of the company's total quota.

Based on past experience, it became possible to establish a valuation for each business enterprise in the various classes apportioned among the various kinds of machines manufactured by the company.

* * *

Population is a treacherous basis for quota unless it is your kind of population that you are considering. For-

eign and negro populations are not easily assimilated into general figures. Take Jewish kosher foods, for instance—obviously a maker would not be particularly interested in the Swedish population of northern Dakota or northern Minnesota, but the East Side in New York does interest him for

varies between sections of the country. The application of company and trade data to judging the sales job is dependent upon the size of the company. What are the determining factors that work in any particular company? They vary with the company. Mr. Weld, for instance, head of the statistical

department of Swift & Co., says: "Sales made in each county or sales district in terms of per cent of total sales, that is the basic curve; total of population in each county or district"—(You can readily understand where a packer would be interested in that.)—"the per cent of total population to sales computed—white population, automobile, registration, circulation of magazines, number of retail outlets, all enter into the basis; then we compare, plot curves for each set of figures on data and then compare with the basic curve."

A use for sales valuation or quota statistics not generally recognized is pointed out by C. P. Stawbach, who used to be general sales manager for Burroughs. Not only should a company know the total cost of marketing its product, he suggests, but it should know just which selling agencies, branches, and territories are making money

and which are not.

"This can be done," he says, "only by assessing in a statistical way, upon each selling unit, its proper share of the entire cost of marketing. In other words, distributing all overhead not included in manufacturing cost.

"This distribution should not be made, as is often done, on the basis of sales produced; otherwise an incorrect conclusion is arrived at as to the extent to which each selling unit is profitable or otherwise. To illustrate this, let us say that of two branches covering territories of approximately equal value, one is selling twice as much as the other. If we charge the first with twice as much of the general overhead, our conclusions will not be correct. Otherwise, in case one of these units sold nothing at all during a certain period, it would be charged with no general overhead whatever, concealing the actual loss, and the other would be penalized by having to absorb an

excessive overhead, reducing its showing as to actual profit earned.

"Penalizing successful selling units by a statistical distribution of general overhead based on sales does not locate the real source and extent of territorial profit and loss.

"The proper method to ascertain the territorial profit or loss would seem to be only by crediting each unit with the entire revenue it produces and securing the net revenue by deducting its direct expenses, such as salaries, commissions, office expense, etc. Next by charging in a statistical way against it, its proper share of all items of home office expense, field supervision and, in general, all expenditures and costs not already included in manufacturing overhead or agency expense. Having done this, the share of this general overhead, apportioned to the unit, being deducted from its net revenue to the concern, indicates the extent of its actual marketing profit or loss.

"What percentage of the total general overhead should be figured against each unit should be determined not by its sales, but by the sales valuation of the territory it covers; in other words, its *sales quota*. Quick figures can thus be secured, as the quotas of all units, being fixed, are known long before sales figures are available, and as soon as the overhead for a month or other period has been ascertained, it can be at once distributed ready for application against the revenue produced for the period immediately on that being recorded."

Mr. Shapiro Goes to Paris to Americanize Fashion

A rebel against Paris' rule over the world of fashion is J. M. Shapiro, president of the Simplicity Pattern Company, New York, who has gone to Paris to establish the Simplicity Salon de Couture and to inject an Eighteenth Street atmosphere into the Champs Elysees. "If one can say that an institution has a soul," said Mr. Shapiro, as he boarded the *Bremen*, "then the soul of this magnificent enterprise is purely and genuinely American. Although the creations emanating from it will reflect Paris Fashions (the large *F* is Mr. Shapiro's) in the fullest conception of the term, they will still express America in spirit."

IBM Promotes Boucher

International Business Machines Corporation, New York, has promoted F. J. Boucher to sales manager of the Dayton Scale Company division. With the company for fifteen years, Mr. Boucher recently has been its Eastern district sales manager. J. E. Griffith, former Pittsburgh district sales manager, will assist him.



there is the greatest Jewish market in the world. That Business Enterprise count analysis which Burroughs used cost some seventy thousand dollars. The cost divided among the other manufacturers in the office appliance field made it cost each one comparatively little. Each one used the count in his own particular way.

You have to be watchful of peculiar influences. For instance, it was found that the amount of deposits was a better measure of the number of Burroughs machines that could be sold a bank than the amount of its capital.

In other cases the ability to buy becomes important. In the case of automobiles you had to think of the value of incomes in different sections. Incomes were a measure, but not necessarily the number of income tax returns, however, as Mr. H. G. Weaver, analyst for the General Motors Corporation pointed out, because a city income of \$3,000 is not the same as a country income of \$3,000, and that



Employees' Campaign Nets \$446,000 Sales in 5 Months

EMPLOYEES of the Associated Gas and Electric System, working in their free time during August, September, October, November and to December 17 of 1932, produced 44,353 prospects for sales of electric and gas appliances, \$446,731 in appliance sales, and \$147,006 in estimated annual revenue from the use of these appliances. The Employees' Business Building Plan, under which this work is being done, is gaining such momentum that it is expected about \$5,000,000 in appliances will be sold during the first year, resulting in about \$1,000,000 in annual revenue to the System from their use.

This plan of employee cooperation was modeled after that of the American Telephone and Telegraph Company (see SALES MANAGEMENT, December 26, 1931. Reprints of this article were sent some 14,000 Associated employees). Employee selling plans of Georgia Power Company, Westinghouse Electric and Manufacturing Company and other companies were also studied. In addition, the Associated System drew upon its own experience with employee cooperation in sales campaigns. During the spring seasons of the past three years Associated employees have cooperated in campaigns on automatic refrigerators, with as many as 20,000 units sold in a six-weeks' effort. Employees have also cooperated in campaigns for the sale of other appliances and securities.

The Associated System employs some 13,600 workers engaged in supplying electricity, gas, water and other services to 1,430,000 customers in about 3,000 communities of twenty-six states. Organization of these employees into efficient working units presented a considerable problem. However, since Associated employees have had considerable experience in



More than 330 employees and their wives from approximately 119 communities served by the Kentucky-Tennessee-Indiana-Missouri group saw "After Hours," a play presented by employees to instruct their fellow workers in the Employees' Business Building Plan in making sales. The troupe traveled 2,489 miles by automobile, holding one-night stands.

Too many big companies are still overlooking the sales opportunities represented by their large bodies of employees. The Associated Gas and Electric System "Employees' Business Building Plan" is expected to sell about \$5,000,000 worth of appliances (\$1,000,000 in annual revenue!) during the first year. A report of the first five months' work is given here.

BY L. D. WEST

*Vice-president in Charge of Sales,
Utility Management Corporation*

cooperative sales efforts, the idea of the Employees' Business Building Plan was accepted perhaps more readily than it would have been in some company where employee cooperation had been less well established. The new plan was made more readily acceptable to employees by presenting it as a form

of job insurance and by offering cash bonuses.

It was emphasized to all employees that the Business Building Plan was an opportunity for them to help their company secure new business and maintain present business, and that this effort would help insure steady



pay and steady work. Sanford J. Magee, vice-president and general manager of the Associated Gas and Electric Company, declared in a message to employees:

"The Group Managers' Employees' Business Building Plan is the greatest Associated activity in which any one of us has yet had the privilege of participating. It is our united stand in the world-wide fight against the economic obstacles of the day. By taking part, we are helping to sustain the industry that gives us a job, and, in the larger sense, to pour oil that will start the wheels of industry."

However, any appearance of forcing employees to participate was rigidly avoided, because all calls on prospects are made by employees in their free time.

Employees were further encouraged to participate by cash bonuses for prospects which result in sales. Employees, operating under the Business Building Plan, do not make sales. They merely turn in to their office the names of prospects for sales, and the actual sales are made by regular company salesmen or by cooperating appliance dealers. Bonuses are based on points. Each employee is given a quota of twenty-five points to be secured during the year. A point is equivalent to 100 kilowatt hours of electricity in annual load added by the sale of electric appliances, or 5,000 cubic feet of annual load added by the sale of gas appliances. In natural gas areas a point is equal to 10,000 cubic feet of gas. Bonuses are paid on all points secured; but bonuses are larger per point for points secured above the quota of twenty-five. Employees were divided into teams of from ten to twenty-five, depending upon the number of employees in the property concerned. A captain was appointed to head each team; these captains were directly responsible to department heads in each operating company, and department heads, in turn, cooperated with the director of the Business Building Plan appointed for each of the operating subsidiary companies.

Team meetings supply the motive power of the Business Building Plan, because it is in team meetings that

employees are instructed in making calls and in securing prospects, and are helped in solving problems which confront them. At the first meeting employees were supplied with handbooks discussing such subjects as "The Plan," "Why the Plan?" "What Is a Prospect?" "Making a Survey," "Prospect Tips," "Appliances Save Money," "Talking Points" on refrigerators, ranges, water heaters, gas house-heating and other appliances.

Programs for team meetings are supplied in mimeographed form by the central office. The subject of one meeting may be a discussion of calls made and information on automatic storage water heaters; another meeting may discuss the cheapness of electricity. Short dramatic sketches are also presented before team meetings by amateur actors from the properties. One of these, called "After Hours," shows employees how to interview a prospect; another, "Fine Feathers," shows how two stenographers may make enough in bonuses on prospects to buy new coats and dresses.

After employees have been instructed thoroughly in how to make calls, and after it has been seen that they are thoroughly familiar with the services and appliances they are offering, they are assigned districts, so that there may be no duplication in calls, and asked to make a survey.

The first call on a customer is in the nature of a survey. Each employee has a card listing electric and gas appliances. He tells the customer that he is making a survey of appliances for his company, and checks against his list the appliances the customer owns and the length of time which they have been in use. At this call he also gets as much other information as possible to help him to determine whether or not the customer is a prospect for additional appliances or services.

Repeated calls are facilitated by the use of recipe cards. On his second call the employee leaves a small box containing four recipe cards. He tells the customer that he will return from time to time and leave additional recipes. Not only does this method give the employee an excuse for repeated calls, but it also interests the

customer in owning modern appliances and in making further use of the appliances she possesses.

Prospect cards are turned in at the company office, and followed up by regular appliance salesmen. Cards indicating that the prospect is interested in small appliances are generally given to local appliance dealers. This practice improves dealer relationships. It also adds materially to dealers' business. During the first three weeks of December, sales of appliances by Associated operating companies through the Business Building Plan amounted to \$68,436. Sales by cooperating dealers were \$38,196 or 55 per cent of company sales.

An average of 3,585 Associated employees have secured prospects during each of the three months of the operation of this plan. Cases illustrating how specific employees create business follow:

An employee of the company in Cambridge, Massachusetts, was passing a restaurant when he saw an oil range being unloaded. He parked around the side of the building, asked the men unloading the oil range a few questions, and then rushed to a telephone, calling his local commercial manager. The commercial manager did some fast selling; and so this Cambridge restaurant is now cooking with gas.

It occurred to an employee in Portsmouth, New Hampshire, that the police department should have a supply of spare bulbs for traffic lights on hand. He sold them twenty cartons of lamps.

In Goshen, New York, an employee noticed that a house recently vacant was occupied by two elderly women who had moved there from New York City and who declared they dreaded the thought of shoveling coal and ashes during the winter, because they had been used to modern conveniences. The employee told them about automatic gas house-heating, referred them to a customer who used gas heating, and had a gas engineer make a survey. The job was sold and the employee received his bonus.

A clerk in New Bedford called on the proprietor of an oil station which

(Continued on page 85)



Finely lithographed window displays, window strips and cartons—these are part of the advertising campaign that is making Chicago women specify Mayer's when they ask their butcher for wieners or hams.

Why Mayer's Quality Wieners Outsell 44 Cheap Competitors

SHORT, quick, direct sales campaigns having in them the element of seasonal appeal are credited with doing much toward keeping Oscar Mayer & Company, packers, Chicago, in its present enviable financial condition after three years of depression. Two of these campaigns have been woven around festival periods—Easter and Halloween.

Public response? Well, here's one picture—

Oscar Mayer's German wiener is in direct competition in the Chicago market with 44 other wieners. The wiener market is highly competitive. Most of these brands go on the market nameless; no pride of ancestry. They are wholesaled on price entirely. Substitution, admittedly, is common.

When the sales drive on the Mayer German wiener started last fall it was already the biggest seller in Chicago; biggest by about 25 per cent. At the end of the first week of the drive sales were up 80 per cent;

BY LESTER B. COLBY

at the end of the second week, 110 per cent; at the end of the final week, 250 per cent.

How was the drive managed? Very simple. An intensive local campaign was organized. Radio was used; newspaper advertising; window displays, window strips, cartons, counter cards and displays, all handsomely lithographed. Each piece told the story of the fine Oscar Mayer German wiener. And—with every purchase of these wieners rubber balloons and false faces were given away!

Mother - and - child interest, point-of-sale attention, the message of superior product. With the intense competition in the field, what measures were used to eliminate substitution? This is the answer—

Every second link of Oscar Mayer's German wiener carries a golden band of paper confirming that this is the "aristocrat of sausage"—the original Mayer

German wiener.

Take the case of the Oscar Mayer drive on hams. The public may not realize it but the butcher knows that that same public goes ham-hungry every spring about Easter time. There's a logical reason for it. Millions of persons have just finished observing lent. When you're meat hungry, good and meat hungry, well, there's something about a ham. More hams sell around Easter than at any other time of the year.

So, every year for the last three years Oscar Mayer has put on an Easter drive on hams. The Mayer salesman goes to the butcher with this argument:

"We don't want to load you up with hams. We're not asking you to put in a big order. But we've got a plan here that works. You can make money with practically no investment. Now this is the idea—

"The public knows the Oscar Mayer Tavern Style, sugar-coated, baked ham. Here's the
(Continued on page 86)

What can we do to keep our dealers from "going to the wall" this year? That will be one of the big problems of 1933. This article tells what Timken has done about it—what other firms might do.

Dealer Sales Increase Under Timken Consignment Plan

THE consignment plan recently introduced by the Timken Silent Automatic Company, Detroit, largest manufacturer of domestic oil burners, has already proved to be the salvation of many dealers and is working out to the entire satisfaction of the company, according to W. C. Wood, treasurer, and E. V. Walsh, general sales manager.

In undertaking to outline the plan, we cannot do better than begin by quoting the copy of one of the company's advertisements which appeared in September and October trade journals, which states both the gist of the plan and its scope in clear-cut language:

"When we say 'the vast financial resources of the Timken Silent Automatic Company stand behind T. S. A. dealers' we mean just that, because . . .

"We ship our burners, accessories and parts to our dealers on

CONSIGNMENT

"We demand no 'Cash in Advance'—no 'Sight Draft Bill of Lading Attached' . . . We require only a moderate and reasonable financial rating and a satisfactory credit standing. . . . We maintain adequate inventories in participating dealers' stores. . . . We make it possible for them to devote their full energies—time and capital—to increasing their sales. . . . Timken Silent Automatic dealers pay for their burners *after they have been sold* . . . either in cash or by discounting their customers' contracts with us.

"This simple plan is the greatest single help a manufacturer can give his dealers. At one stroke it sweeps away all inventory problems; insures prompt installations; prevents cancellations; and conserves the dealers' cash for working capital.

"This plan is available to ALL dealers who can meet our simple requirements—honesty, thrift and ambition. There are no 'favored few' in this organization.

"The T. S. A. dealers' consignment plan, backed by proved sales policies and practical sales helps, is the answer to our obligation of leadership."

There is nothing obscure or confusing about that statement! Timken Silent Automatic has decided to sell on consignment and they say so in big, colored, capital letters. The plan

is available to all their dealers and the requirements are simple and easy to meet. There are no reservations, stated or implied. The manufacturer proposes to carry the dealers' inventory for them in order to relieve them of this burden, thus making it possible for them to devote their full energies, time and capital to increasing their sales, to insure prompt installations, prevent cancellations, and conserve the dealer's cash for working capital.

The Timken Silent Automatic Company has approximately two hundred fifty dealers, in addition to its sixteen branches and fourteen sub-branches, Mr. Walsh said. Many of these dealers are small and nearly all of them carry other lines, such as electrical refrigeration and radio. In all these specialties, it has been customary for the manufacturers to ship goods to the dealer with sight draft bill of lading attached, necessitating considerable capital to finance his inventories.

On the other hand, a large percentage of the dealers' sales are on a time payment plan, allowing the purchaser up to two years in which to complete his payments. Of course the dealers discount this paper when possible, but at present it isn't possible for some of them to secure such assistance without the backing of the factory.

"A single example will illustrate just what this means to us, as well as to the dealers," Mr. Walsh said. "Some time ago, one of our field men reported that a certain dealer who had been with us for years and whom we knew was a good operator, was in such financial difficulties, due to existing conditions, that he couldn't buy service parts, much less new burners. We investigated and found that, among other things, this dealer had six prospects he could close at once, if he could only get the burners, but he didn't have the money to pay for the burners, so he and we were having to do without that business. We promptly arranged to furnish the burners on consignment, he installed them, we endorsed the paper, he got his money, we got ours, and now he is doing well, because we furnish him all the burners he can sell.

"Any number of dealers have increased their sales 50 per cent or more as a result of this plan, because it enables them to devote all their energies to selling and to sell as many burners as possible, without having to provide the capital to finance their inventory."

"The origin of the plan really dates back several years," W. C. Wood, treasurer, explained. "Some years ago, one of our dealers requested that we sell him an open account and we promptly declined. On investigation, though, we found good reasons why we should finance this particular dealer's inventory, which we did. That worked out so well that the second year we financed him up to \$17,000. He is still with us and is one of our best dealers.

"During the past year, more and more dealers have been finding it difficult to finance their inventories and the problem became a serious one to us, because if dealers can't buy our burners, we can't sell them. In considering the problem, we were re-

(Continued on page 78)

Based on an interview
by D. G. Baird with

W. C. WOOD
Treasurer

and

E. V. WALSH
General Sales Manager

*Timken Silent Automatic Company,
Detroit*



Signora Bacigalupi Buys: Nationally advertised products of many kinds, as well as the proverbial macaroni, cheese and olive oil, find their way into her market basket. The 1,070,355 Italians in New York City are served by more than 1,500 Italian grocery stores.

Sales Opportunities Widen in Italian-American Market

BY
LAWRENCE M.
HUGHES

IN many respects the most attractive, from the national advertisers' standpoint, of all the foreign-language markets in the United States is the Italian.

The market comprises some 4,000,000 people, about two-fifths of whom were born in the old country. The rest are children of Italian-born parents, on whom the influence not only of the Italian language, but of the Italian heritage and habits, is still strong.

But the influence of the new environment probably is stronger still.

One reason why the Italo-American market offers worth-while and perhaps overlooked opportunities for national advertisers is that it is not only large but compact. Six-sevenths of the entire market is in eight states, with New York state accounting for more than one-third of the total. In New York City alone there are 1,070,355 of these people. More than Naples, more than Milan or Rome, New York is now the largest Italian city in the world.

A second reason is that, though they still may speak the Italian language (or one of its numerous dialects) in their homes and at their work, and read the Italian newspapers, these people are being swayed from their old habits by the conditions and forces of the new world—not the

least of which is advertising.

A third reason is that they like good things—standardized products, especially in foods and drugs, where purity is essential.

And the most important reason is that they have money now—perhaps more money on the average than other large foreign-language or even native-born groups—and they are spending it.

Consider the New York Italian as a prospect. He is typical of his compatriots in Philadelphia, Boston and San Francisco, but he is available in New York in vastly larger numbers.

He is, on the whole, a maligned or at least an under-rated individual. He and the rest of his market are supposed to be jammed into squalid living quarters in the lower East Side: buying from push-carts, sleeping amid filth.

Now, it is true that many Italians still live in the lower East Side. But living and buying conditions have improved there since this prejudice got started. And most of the Italians have not waited for the Christie-

Forsythe, the Allen Street and other developments to be put through. The borough of Brooklyn today has nearly twice as many of them as the borough of Manhattan. And nearly one-third of a million more are living in the Bronx, Queens and Richmond. They are all New Yorkers still, but they have more room to live and to grow. Their increase in earning power has enabled them to have better quarters and to live better. But the heritage and many of the habits have remained with them; and the Italian stores, restaurants and banks, and the circulation of the Italian-language newspapers, have followed them. Their present quarters are still smaller, per capita, than those of third- and fourth-generation Americans in New York (of which there are not many left), but much of what they take from the landlord they give to the storekeeper. Though not all of them are privileged, like Dr. Paterno, to look down from a "castle" on the new George Washington bridge, a diminishing proportion are forced to look up at the Brooklyn bridge.

Which would indicate that the range of Italian vocations is no longer confined—if ever it was—to ditch digging, organ grinding and bootlegging. To be sure, there are still a thousand ditch diggers for every Toscanini or Gatti-Casazza, but the gen-

eral level of education and earning power is somewhere between, and the range of vocations vastly more diversified than many advertisers may suppose.

With such a range, "averages" are dangerous. But to enable the executive readers of this magazine to visualize quickly the problems and possibilities of this market, we shall endeavor to take a "typical" New York Italian family, and see what they are doing with certain products and brands.

Instead of consisting of 4.9 people, the national average, this "family" has eight. In addition to Padre and Madre Bacigalupi, there are Elena, aged 20; Giuseppe and Antonio, aged 18 and 12, and the *bambini* Rosa and Gino, 5 and 2. That would seem to make six. But we have not yet counted the oldest daughter, Maria, who has married and brought her husband Pietro back to live under the parental roof.

These eight or ten people live in four or five rooms. Of course, they are crowded—no private bedrooms or anything fancy. And the place feels more crowded with the profusion of furniture—overstuffed pieces, rose-colored or sky blue, the whatnots and photographs, an oversized radio and

the inevitable phonograph with plenty of records, from "Vesti la Giubba!" by Caruso out of Leoncavallo to eighty-piece orchestra numbers.

All the members of the family over 17 years of age work for a living, if they can. Poppa is a storekeeper or a trades unioner. He may make in these times \$35 a week. Giuseppe is a truckman or an errand boy, at \$15. The best breadwinner of the family is the unmarried daughter, Elena, whose nimble fingers and long hours bring \$45 a week at needlework. Momma and Maria also do piecework on shirts and aprons, in their odd moments, for about \$20 apiece. The weekly income of the entire family may total \$115, even now.

Let us follow the Bacigalupis through a consuming day.

They rise from home-made beds (cotton mattresses), put on their long underwear, and shave with Squibb cream. The older generation uses a straight razor, the younger, a safety.

They sit down to a substantial breakfast, of Farina or pancakes, preceded by orange juice (they save the tomato juice for their spaghetti), and followed by bacon and eggs and Maxwell House coffee, with hot bread made from Pillsbury flour. Italy is a coffee-drinking country, and

nearly all Italo-Americans not only have two cups of it at breakfast, but may stop on the way to work to get another. It is *café au lait* in the morning, a customary Brazilian-Colombian blend. (In the evening they drink French roast coffee, with a dash of Mocha for stimulant.) The Bacigalupis eat somewhat less than they did, but their breakfasts are still fairly heavy. Among the hot cereals, Farina is followed in popularity by Quaker Oats and Cream of Wheat. (Farina, in fact, has become a hot cereal generative term.) Bran cereals have not made much headway in this market yet, but the demand for other forms of cold cereals is growing.

With the men gone, the women set the house to order. They have a vacuum sweeper, but no electric ice-box. On the whole, the Bacigalupis are two or three years behind the native-born Americans in adopting electric appliances.

In addition to her other duties, Momma is Director of the Budget and Family Purchasing Agent. The entire weekly income goes to her. She tries to bank at least one-fourth of it. When one of the breadwinners feels that he or she needs money for a special purpose, it is taken from the general fund that remains. There is little friction in the process. The Italians have a considerable feeling of family loyalty, and probably the purchase is sound.

Fifty per cent of the money available for family purchases goes for food and drugs. The Bacigalupis use a lot, and the best, of both. There is a certain relationship between them. The B's being hearty eaters, drugs are called in to assist nature's functions. Except when employed in manual work, they have little physical exercise—prefer Kruschen salts to "daily dozens." In drugs, national brands do not yet play an important part. The daughters use few cosmetics. The druggist is also the family diagnostician. For the Bacigalupis he may fill six of his own prescriptions at once—by the simple process of pouring standard brands into private bottles, and charging accordingly. Some of the ailments are imaginary; most are preventive. E. R. Squibb & Sons, who have made perhaps the most progress among drug products in this market, have found that most of their goods are for gastronomic circulation.

In clothing the tastes of the generations are more conflicting than elsewhere—but they all wear American-made garments. Poppa wears red flannels, Giuseppe BVD's. The girls are arrayed as are their native-born sisters. When Poppa needs a new suit, Momma goes with him. Poppa's

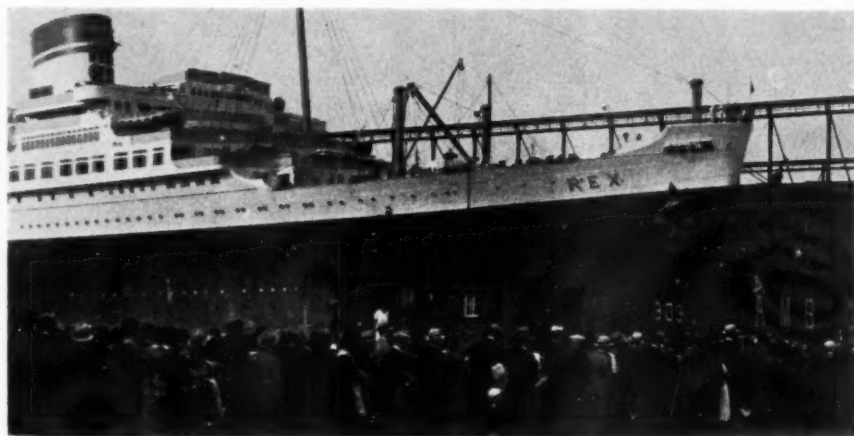
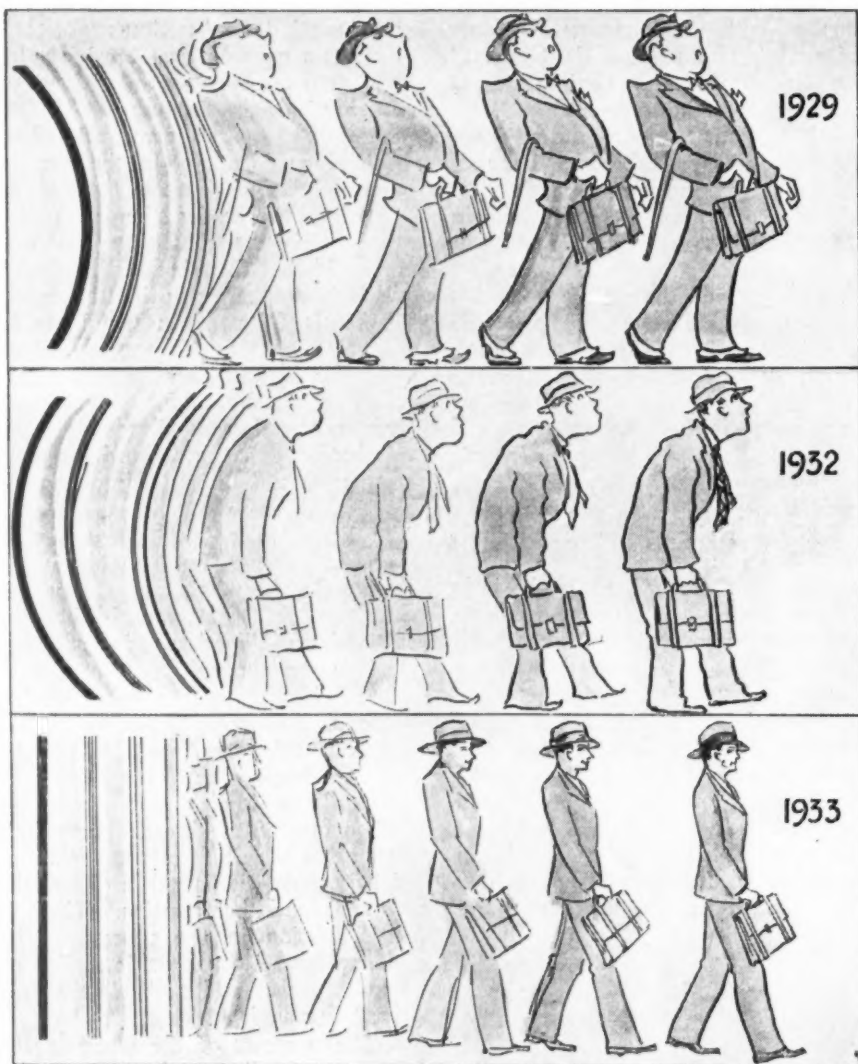


Photo by Courtesy of the Italian Lines.

The national consciousness of Italians in America—even those born here—was strikingly brought out on the occasion of the first visit of the Italian liner "Rex" to her New York dock. Visitors were invited to inspect the ship for an admission fee of 25 cents, the proceeds to go to the benefit of the Italian and American Seamen's Funds. On that Sunday 30,000 people, most of them Italians, stormed the Italian Line's gangways and paid their quarter to see the pride of their native country's merchant fleet. A number of Italian societies came in a body. . . . To the American manufacturer this picture is significant. Remember that New York alone has more Italians than Milan or Rome. It is, in fact, the largest Italian city in the world.



Q What is your selling attitude for 1933?

only latitude for choice is the color.

The Bacigalupis eat light lunches, but the dinners are considerable works of art. There are four courses: 1. Probably *minestra maritata* (married soup), consisting of cabbage, dandelions, beans, chicken, ham for flavor, and cheese. They have their vegetables in the soup. Course No. 2 is the inevitable spaghetti, with a variety of sauces and seasonings. No. 3 is veal or pork, with salad. (Plenty of olive oil.) The dessert is usually fruit and nuts—seldom pie or sweets. The cheese on the soup is imported. The olive oil also is a "foreign" brand.

Despite Prohibition, the Bacigalupis have continued to drink their wines, and these are a part of every dinner and sometimes of every meal. Little 'Gino has been weaned to a wine bottle. He is thriving nicely on it.

For the most part, this is the kind of "supper" Momma and Poppa had in Italy. Gradually, though, even this is being changed, and Momma has started to count vitamins as religiously

as her beads, and to take little Rosa and 'Gino to clinics.

These two little ones are quite the most important members of the family. A disproportionate share of the budget goes to provide them with attractive clothes, a comfortable carriage and plenty of toys. On Christmas, especially, do they make their might felt.

The numerous Italian festival days and religious observances, most of which are still observed in this country, do not offer much chance for American manufacturers. An exception is the case of the Diamond Candle Company. Candles are burned in memory of the dead and for other purposes. Some have paid \$100 for a single candle—a 50-pound torch, 12 inches in circumference, and filigreed, which is taken in procession and presented to the church.

But we were talking about the Bacigalupis' routine. . . . After supper, and often during the day, the male members of the family smoke. They smoke 25 times as many cigar-

ettes as cigars, but pipes hardly at all. The national rankings of the "big four" cigarettes are somewhat upset by the Bacigalupis. Lucky Strikes, as elsewhere, are first; but Old Golds, instead of Camels, are second; followed by Hiems and Chesterfield. The ratio of cigarette sales to advertising in the Italian market is consistently maintained. The 10-cent brands of cigarettes, which have been growing in popularity elsewhere, have hardly made a dent among New York's Italians. The cigars are 5- and 10-centers, largely Mapacuba and Bayuk. They would smoke Cremos if the Italian grocer sold them. The importance of this grocer deserves elaboration later. First let us finish the day.

The Bacigalupis, with nine people already in a five-room apartment, do not entertain much. They have not taken to bridge, but they like movies. They also have a second-hand car, which Poppa and Giuseppe, having a mechanical bent, keep in good shape. They don't use it much, though—seldom get farther than Coney Island in the summer. The depression has caused more Italians, like other foreigners, to leave than to enter the country. But if, like the Bacigalupis, they are still making a go of it here, they go back to visit not oftener than once in every 15 or 20 years.

At least 85 per cent of New York City's Italians are in Italian locations. In the Bronx there are seven of these locations, clearly definable, in Brooklyn 26 of them, in lower Manhattan about seven, in midtown Manhattan three—with another big district north of 100th Street and east of Lexington Avenue. Queens has about eight of them—the biggest in Astoria and Corona. (Generoso Pope and his three Italian dailies in New York can give you more details.)

Though Momma Bacigalupi likes the department stores for the family clothes and house furnishings, the Italian neighborhood stores get the larger part of her budget. Manhattan's population of 260,702 Italians is served by 497 of its grocery stores, 202 drug stores, 204 butchers and—the Bacigalupi family enjoying an occasional "eating out," 409 restaurants. The coverage of Brooklyn's 487,344 is not relatively so complete, there being 747 grocers, 215 drug stores, 362 butchers and only 204 restaurants. The Bronx has nearly 500 of these establishments, all told, and Queens about 350.

The Italian grocer and druggist are influential advisers of the Bacigalupis. They can make or break an advertiser's efforts to win them. So, too,

(Continued on page 76)

Are Our "Bread and Butter" Accounts Being Neglected?

(NOTE: This checkup was originally prepared for a steel company whose accounts were either distributors, or consumers, or both—if yours is a non-industrial product, the plan can be altered and adapted to make its application suitable.—THE EDITORS.)

Analysis of Old Accounts

List each concern which bought from us regularly in 1930, 1931 or 1932, in one of the following four groups as refers to our relations with them for the last six months of 1932. For the purpose of this analysis, "regular accounts" are considered as falling within two general classifications: old accounts and potential new accounts.

Review the accounts carefully, setting down answers to questions enumerated under the classification headings:

Group "A"—Out of Business or No Longer Handling or Using Steel Products.

1. If a distributor and still in business, can they be induced to handle steel again?
2. If a consumer and still in business, are they now using some other metal in place of steel, and can they not be induced to try steel again?
Perhaps we can now offer a quality or finish not previously available.
3. If out of business, are we in touch with their old personnel who may have gone with another concern?

Group "B"—Still Handling or Using Steel Products, but Give Us Only Part of Their Business.

1. Are there any justifiable reasons for their not giving us all or a larger share of their business? Don't say "Yes" without actually enumerating the reasons (if any) and satisfying yourself beyond all doubt that they are justifiable. Perhaps reasons which were once "justifiable" no longer are.
2. Have we worked with the distributor, calling on his trade and helping him to sell our product, thereby encouraging him to give us a larger share of his business?

Group "C"—Give Us All of Their Business, but Handle or Use Only Part of Our Line.

1. If a consumer, where could steel replace some other material now being used? How about Stainless Steel?
2. If a distributor, what other products can be handled profitably, based on the demands of the market?
3. Are there steel products not at present being used in the market, the use of which could be developed, thereby making it worth while for the distributor to carry a stock?

Group "D"—Still Handling or Using Steel Products, but No Longer Buy from Us.

(Note: The reasons why an account was lost or who was at fault are two questions that are not worth discussion—all that counts is that there is business that we are not getting.)

1. Where we have lost an account because of a disagreement or argument, it is perhaps natural to discontinue regular calls; but have we overdone matters by allowing the misunderstanding to continue for years?
2. We have used our own best efforts, but have we enlisted the aid of our
(Continued on page 78)

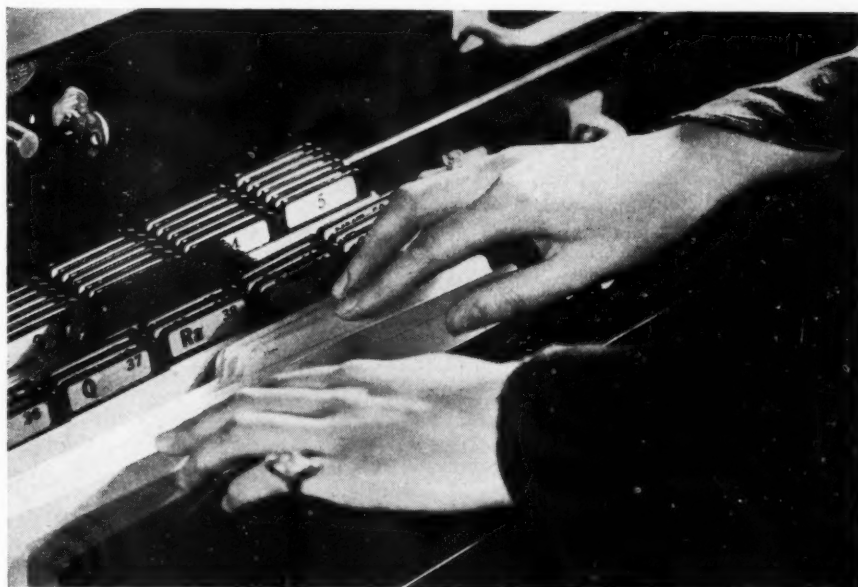
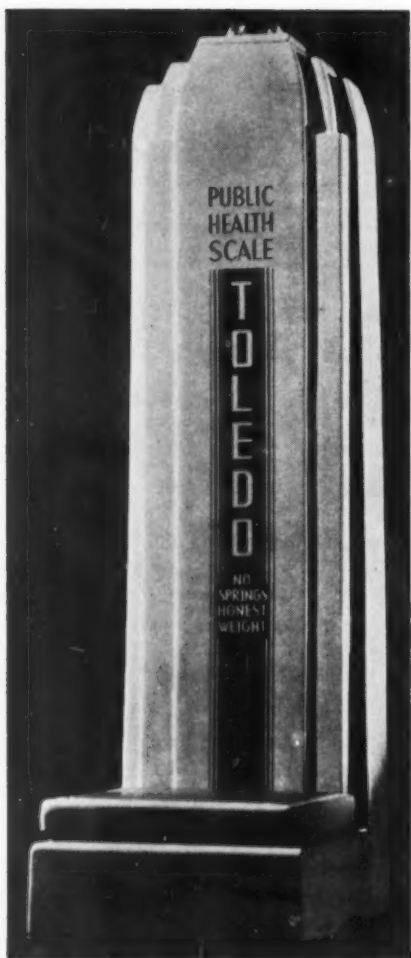


Photo by Ewing Galloway

Too often we take it for granted that the "regulars" are being covered by the sales force in an efficient, consistent manner. A checkup will invariably show, however, that dozens of wide-open sales opportunities are being passed up by salesmen who aren't studying the old accounts from new angles. Here's a dandy, simple checkup, applicable to any business.



First-Year Sales on New Scale Equal Total for Previous Ten Years

We congratulated Van Doren and Rideout, designers of this scale for the Toledo Scale Company, on its winning first award in the National Alliance of Art and Industry's recent competition—but what SALES MANAGEMENT and its equally hard-boiled readers were chiefly interested in finding out was: "Did it sell?"

So for the benefit of cynics like the editors of SALES MANAGEMENT and all others who set less store than they should by a prize in an industrial art contest, the president of the Toledo Scale Company made this statement: "The first year's sales of the model designed by Van Doren and Rideout for Toledo's Public Health Scale just about equaled the total sales over the previous ten-year period of the homely model which it superseded."

It is only fair to say here that the Toledo Scale Company was not the first in its field to recognize the commercial value of good design. Some time before, the International Ticket Scale had been redesigned by Joseph Sinel, with equally spectacular sales results for that company.

Designing to Sell

BY

R. S. McFADDEN

Sales Management is in close touch with every leading designer in America and with most authoritative sources of design information. Readers are invited, at no charge or obligation to themselves, to consult with the editor of this department about their own design problems. Address R. S. McFadden, Sales Management Magazine, 420 Lexington Avenue, New York City.



The Taylor Instrument Companies' initial success in solving a knotty sales problem almost wholly through redesign of a product has led them to adopt a "design program" in which their entire line will undergo transfiguration under the hand of a trained designer.

Designing to Cash in on a Popular Trend: Enter, "Humidiguide"

Often a company manufacturing a wide line of products will commit itself to an investment for design only to the extent of experimenting with a single item in the line—and watching results. Some time ago SALES MANAGEMENT published the sales figures on the Taylor Instrument Companies' initial experiment in redesign—the subject being the Stormoguide designed by Walter Dorwin Teague.

Here's another proof that the investment paid—another one of a series of instruments and packages designed for Tyco by Mr. Teague. It seems to us an especially interesting example of the value of a fresh outside viewpoint being brought to bear on an old-established line.

For years the Taylor Instrument Companies had been manufacturing a line of very reliable but complex hygrometers (just a fancy name for a device that measures the moisture in the air). It occurred to Mr. Teague, on looking over the line, that they could capitalize on the wide current interest in air conditioning and humidification by designing a simple, dependable and easy to read "humidiguide," suitable for use in the home. The Taylor scientists developed the device, and Mr. Teague carried out in its external appearance the design scheme which he had established in the "Stormoguide," thus tying up the line so that ultimately the appearance of any Taylor Instrument Companies' product will be a Tyco trademark.

This case, like that of the Stormoguide, was built of Bakelite and embellished with chromium, both fitting into the manufacturer's plans of economical production costs. The package, also designed by Mr. Teague, will be used throughout the line.

* * *

(Those interested in referring to the previous article on Taylor will find it in the issue dated May 1, 1932, under the title; "Taylor Companies Foil Foreign Competition Through Design." It reported: sales of Stormoguide increased through redesign 65 per cent over 1930; sales of barometer group of instruments jumped 30 per cent over 1930 as a result of reflected demand from Stormoguide; problem of foreign and cheaper competition effectively met by design strategy; direct mail orders, by freshened appeal in advertising copy based on new model, pulled 43 per cent more orders than in 1930.)



While the stove manufacturers have been somewhat tardy in making of their product an appliance which was anything but an eyesore and a grease-catcher, this new gas range is evidence that they're now going to give their electric competition a mad run in the race for consumer favor.

Stoves Learn from Autos; New Models Rouse Apathetic Dealers

The new gas range designed for the Standard Gas Equipment Corporation by Norman Bel Geddes, is one with which S.G.E. plans to meet the new competitive and merchandising situation in its field. The stove manufacturers have found that besides the increased demand on the part of the housewife for beauty even in a gas range, design is of more pressing importance than ever because of the adverse legislation against utility merchandising of appliances and the ever-increasing distribution of appliances through dealers. Dealers want quick turnover, small stocks and floor traffic. Thus they want style in merchandise. They push "the latest thing," the newest model.

In this model they have attempted to combine a design which lends itself to dramatic display on the dealer's floor, as well as incorporating all the utility and appearance features which pique the interest of the housewife.

The stove is made of pressed steel, finished in white enamel, with handles

of Bakelite. The set-back base, finished in black enamel, precludes the necessity of constant mopping under the stove, but for the sake of finicky housewives it has been made removable for annual cleaning week.

The removable panel on which the trade name "Acorn" appears on this model is an interesting feature of this design. S.G.E., being manufacturers of gas ranges which for years have been sold under a variety of trade names (Oriole, Vulcan and Acorn being among the best known), have learned that it is the trade name which sells the stove in different parts of the country. The same stove, with any other name than Acorn, for instance, in some parts of the country wouldn't have a chance. So, taking geographical prejudices into consideration, they've made the trade name panel removable so that ladies who like the sound of "Acorn" better than "Vulcan" can have it—but whatever they ask for, it's always an S-G-E stove.



Modernized Bottle Jumps Sales 250% for Dry Shampoo

Though these new bottles, designed for Godefroy's Oyloff Dry Shampoo by Simon de Vaulchier, cost less to produce than the old, they've effected a 250 per cent increase in sales for Godefroy. The new package, which has been on the market less than a year, proved a material aid in getting the highest type of department store distribution and in increasing drug store distribution. Bottles are manufactured by the O'Bear-Nester Glass Company of St. Louis; closure by Armstrong Cork Company.

Air King to Offer New Plastic Radio; Will Retail at \$25

Van Doren and Rideout, product and package designers, "didn't know it couldn't be done, so they went and did it." That is, they didn't know that half a dozen radio manufacturers had rejected the idea of building a radio out of one of those new plastic compositions for the reason that manufacturing costs would be prohibitive. So they designed for the Air King Radio Company, Brooklyn, New York, who were willing to take a chance on initial mold costs for the sake of the competitive advantage of something entirely new, a housing in Plaskon for

a radio almost 12 inches high, 9 inches wide and 7 inches deep. We are told that after they got under way they found that per unit this housing costs more than wood, but less than steel. It will appear on the market in a few weeks, retailing at twenty-five dollars. Plaskon, the material of which it is made, is one of the newer plastics developed by Toledo Synthetic Products, Inc. . . . There are few metals, woods and other standard materials whose position is not being threatened by the plastics. If you wish any information about the possibilities of utilizing one of the plastics in your industry, write to the editor of this department, SALES MANAGEMENT, New York City.



(Upper left) Manufacturers of medicinals and pharmaceuticals have been slow to take the cue from the toilet goods people in furnishing Mrs. Consumer with styled bottles for her dressing table. Oyloff's new bottle can now stand up, unashamed, beside toilet water and talcum.

(Center) Plastics are due for a big development in many fields. Have you considered whether any of them might be advantageously used in your product?

(Left, below) Think of the hideous boxes and cans which camped on your mother's "cleaning shelf"—then look at O-Cedar's furniture polish and understand why many of the old-fashioned products are unable to meet modern competition.

O'Cedar Puts Style Appeal into Another "Dirty Work" Product

New non-skid bottles designed for O'Cedar by Simon de Vaulchier. Even if O'Cedar's Wax Cream weren't a very fine product, women would feel confident, when they laid down twenty-five cents for Junior, fifty cents for Utility or a dollar for Economy, that the money was being spent for a high quality furniture polish. The bottle, label and closure all contrive to make the impression that they contain a preparation that a woman can feel safe in applying to fine furniture. The Owens-Illinois Glass Company and the Phoenix Cap Company cooperated to achieve this excellent effect.

(SM has had frequent inquiries as to whether it pays to style the container for the product that is destined for the garage, the machine shop, the cellar shelf, or a similar type of "oblivion." A previous article bearing on this point appeared in "Designing to Sell" for January 23, 1932. It recounted the experiences of the Budge-It Products Company, whose new container more than doubled sales in the first five weeks it was offered. This was true in spite of the fact that the new container carried only two-thirds as much of the product as its unstyled predecessor.—THE EDITORS.)



1932 Linage in New York Newspapers

SOURCE: Media Records for the years 1928-1932
New York Evening Post for the year 1927

	1928	1929	1930	1931	1932
Times	30,641,930	Times 32,378,135	Times 26,624,102	Times 24,405,376	Times 18,126,997
H. Trib.	19,639,113	H. Trib. 21,011,146	H. Trib. 17,524,038	H. Trib. 16,352,736	Eagle 13,364,122
Eagle	18,587,608	Sun 18,156,668	Sun 15,896,856	Sun 15,495,357	NEWS 13,279,947
Sun	16,608,149	Eagle 17,907,985	Eagle 15,877,551	Eagle 15,174,032	Sun 13,165,927
M. World	14,139,141	Journal 14,545,021	Journal 13,366,656	NEWS 15,135,308	H. Trib. 11,863,946
Journal	14,039,215	M. World 13,650,242	NEWS 13,209,975	American 13,803,734	American 11,701,013
American	12,436,180	NEWS 12,314,661	American 10,794,477	Journal 13,489,336	W.-Tele. 11,598,449
NEWS	10,432,709	American 12,312,864	M. World 10,627,224	W.-Tele. 12,989,265	Journal 9,697,524
E. World	9,940,209	E. World 10,279,839	E. World 9,345,790	Bk. Times 6,159,799	Bk. Times 5,440,351
Telegram	5,805,083	Post 6,193,460	Telegram 5,830,406	Post 3,834,591	Mirror 2,928,080
Bk. Times	5,565,738	Telegram 5,938,826	Bk. Times 5,209,529	Mirror 3,203,341	Post 2,832,373
Post	5,551,377	Bk. Times 5,634,580	Post 4,655,837	St. Union 3,054,782	
St. Union	4,955,951	St. Union 4,722,010	St. Union 3,385,871	Graphic 2,770,191	
Graphic	3,082,829	Graphic 3,960,618	Graphic 3,344,327		
Mirror	2,013,013	Mirror 2,617,984	Mirror 2,644,755		

3RD in 1932!

Table II		
Reasons Why People Trade in the Towns They Prefer		
REASONS	Average number of miles traveled by those giving reason (Arithmetic Mean)	Number indicating this reason as an influence
GROUP I		
1. High quality merchandise.....	6.5	273
2. Friendly merchants	6.7	254
3. Advertising service	7.2	225
4. Low prices of independent stores	6.3	179
5. Liberal credit	5.0	134
6. Produce market	6.0	133
7. Wider assortments	8.8	127
8. Some lines not carried in other towns	9.0	124
9. Low prices of chain stores.....	7.7	121
GROUP II		
10. Good shows	8.0	178
11. Church activities	3.0	161
12. Educational facilities	4.8	139
13. Club membership	3.6	135
14. Use of library	3.9	95
15. Playing pool	3.7	33
GROUP III		
16. Banking	4.3	227
17. Doctors and dentists	5.5	217
18. Garage service	4.9	191
19. Restaurants	6.1	168
20. Farm tool repair work.....	5.3	122
GROUP IV		
21. All-weather roads	7.0	241
22. Good parking facilities.....	5.0	207
23. Short distance	4.7	198

Price ran a poor fourth when compared with quality, friendliness of merchants and advertising service, in this analysis of reasons why consumers choose to shop in certain towns.

HIGH quality of merchandise draws more people to a trading center than any other factor. Friendliness on the part of merchants is second in importance, the advertising messages of dealers third, and price fourth in importance.

These interesting facts are part of the findings of a somewhat unique trading area study made by Fred M. Jones, and published by the Bureau of Business Research of the University of Illinois. In addition to the reasons given above why consumers shop in a preferred city, the study developed some significant statistics on how far people will travel to make purchases of different types of merchandise. (See table I.)

The Champaign-Urbana (Illinois)* trading area was selected for the experimental work and study. Sixteen investigators were sent out Saturday afternoon, November 8, 1930, to count the parked automobiles in the 46 towns which fall within the Champaign-Urbana trading area. (Within

* For the benefit of those who may not be familiar with the local geography, these two cities are contiguous, forming, in reality, one center of 33,408 population.

this area, there are four smaller trading centers: Tuscola, Monticello, Farmer City and Villa Grove.) License numbers were recorded, and were later checked back to determine the home of each car.

Of the 2,757 Illinois cars counted, 1,613, or almost 60 per cent, were found in the towns for which they were registered. The detailed facts about the remaining number showed a large amount of intermovement within the trading area, indicating the high mobility of trade. "To serve this trade," the report says, "merchandising effort should be adapted to conditions. The advertising policy is particularly concerned with the condition described."

A rather complete questionnaire was mailed to 1,796 owners of automobiles whose license numbers were taken in the survey. Automobile owners living outside the district were omitted since "it is obvious that as the distance from a trading point increases a smaller percentage of people will go to that point for trading purposes." Of the number, 361 usable questionnaires were returned. Table II shown with this article gives the tabulated results on reasons for purchasing in a given cen-

Table I		
Distance at Which Various Lines Are Purchased		
LINE OF MERCHANDISE—	Average miles traveled to make purchase (Arithmetic Mean)	Number Answering Questions
Women's Clothes	22.9	334
Children's Clothes	20.3	230
Men's Clothes	19.5	343
Furniture	18.6	303
Dry Goods	15.3	341
Amusements	13.0	307
Auto Parts and Tires.....	11.1	356
Farming Implements	7.7	193
Drugs and Toilet Goods.....	7.0	346
Hardware	6.5	346
Bakery Goods	5.0	322
Groceries	4.8	350
Fresh Meat	4.7	329
Feed	4.5	199
Lumber and Building Material.....	4.5	294
Coal	3.3	341

How Far Will Consumers Go to Buy?

ter, quality ranking first, as we have pointed out. The rank of price in fourth place is highly significant.

Table I gives the summary broken down by distances traveled for specific types of merchandise. Communities that are aggressively attempting to compete with larger towns nearby will be especially interested in the tabulations under groups II, III and IV of table II, showing the reasons other than merchandising reasons which actuate trade at a given point. The report comments:

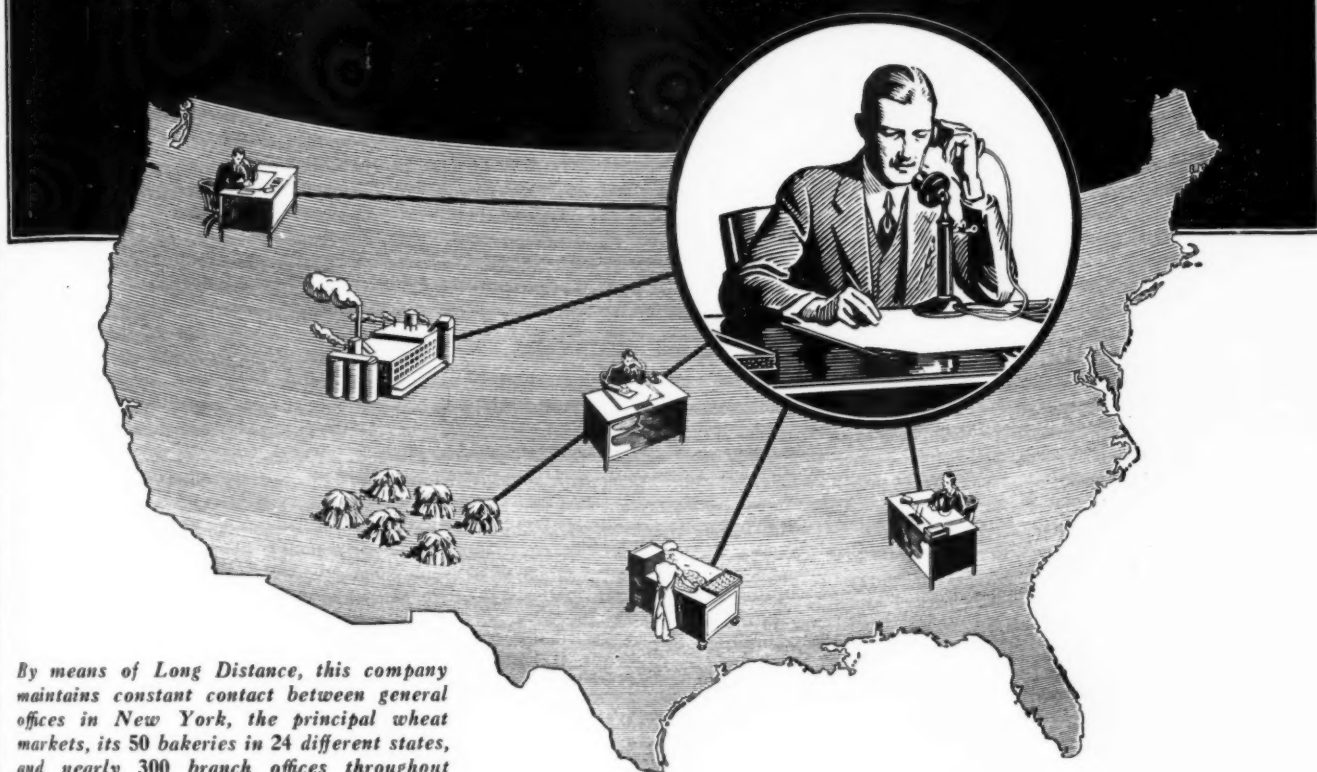
"The answers, 'friendly merchants' and 'wide assortment of goods,' indicate that perhaps the local merchant, in order to offset the disadvantage of being unable to carry wide enough assortments of the lines which he does handle, should emphasize his credit service, personal friendship and courtesy. This inference seems justified by a comparison of the average distances traveled to take advantage of credit service and friendly merchants with the average distance traveled to take advantage of a wider assortment.

"The small town merchant handling shopping goods cannot compete in assortment of goods with the mer-

(Continued on page 87)

"Long Distance is essential to intelligent buying"

says NATIONAL BISCUIT COMPANY



By means of Long Distance, this company maintains constant contact between general offices in New York, the principal wheat markets, its 50 bakeries in 24 different states, and nearly 300 branch offices throughout the country.

THE National Biscuit Company, "Uneeda Bakers," today distributes its many products through nearly half a million retail outlets. During recent years the telephone has played an increasingly important part in this development. Largely by means of its consistent use it is possible to maintain in all sections of the country the same uniform standard of quality. From purchasing, right through all departments, wherever quick action is essential, the telephone is held indispensable.

Today more than ever, organizations large and small realize the adaptability and economy of Long Distance telephone service. It is the instrument of modern business. It promotes every phase of activity from the purchase of raw material to

the delivery of finished products into the hands of consumers. The well-planned use of Long Distance is today bringing "more business at less cost" to organizations of many kinds.

A representative of your local Bell Company will be glad to outline a telephone plan especially suited to the activities of your company.

LONG DISTANCE RATES ARE LOW Typical Station-to-Station Rates

From	To	Daytime	7:00 P.M.	8:30 P.M.
Chicago	Grand Rapids	\$.75	\$.65	\$.45
New York	Pittsburgh	1.50	1.25	.85
Atlanta	St. Louis	1.95	1.65	1.10
Denver	Seattle	3.75	3.00	2.00
Boston	San Francisco	9.50	7.50	5.75

Where the charge is 50c or more, federal tax applies

JUST CALL YOUR BELL



TELEPHONE BUSINESS OFFICE



Will Public Buy Streamlined Cars? Pierce-Arrow Presents One Such, as General Motors Asks About It

Must another decade pass before the American motoring public is ready for truly streamlined cars?

Or can the public be sold them now?

General Motors, like other manufacturers, is very much concerned in getting an accurate indication of how average motorists feel on this subject.

So is Pierce-Arrow, who presented at the National Automobile Show in New York last week the strange-looking vehicle pictured above—strange because, though such developments in simplicity of line and elimination of wind-resistance have long been accepted for airplanes and motor boats, it still would look a bit freakish to the average driver on the public highway.

Pierce-Arrow's new car is called the Silver Arrow. It is priced at \$10,000—which may be the reason why only five of them will be built in 1933.

The streamlines were developed by a lot of wind-tunnel experiments. They aid in giving the car a maximum speed of 115 miles an hour, and cruising speeds of 60 to 80.

To get a cross-section of opinion of Eastern motorists, H. G. Weaver, chief of General Motors Analyzation Division, at Detroit, sent to quite a lot of them a detailed questionnaire on their reaction to the various cars shown at the show, especially from the style angle. A free ticket to the show was enclosed with each, as was a stamped envelope for the return of the booklet to Mr. Weaver.

The booklet contained a directory of the locations of all passenger cars exhibited at the show. The visitors were asked to check the appearance of each as "good," "fair" or "poor."

("Indifferent," says Mr. Weaver, "would be a better word than 'poor,' but it's too long.") Then the visitors were invited to select the "best looking" and the "least attractive" of the cars in the low-, lower medium-, upper medium- and high-price groups, and to mention, "if you were in the market" for a car in a particular group, which one you would probably buy.

Then the questions:

"Of all the cars at the show, and without regard to price, which would you say is the best looking?"

"Do you favor the tendency towards streamlining?"

"In your judgment, which of the new models has the most effective streamline treatment?"

Between these last two questions appeared pictures of a streamlined airplane, motor boat and automobile.

This car (bearing a close resemblance to the one shown above) then appeared on the same page with a conservative model, with a request for reactions—the one being, perhaps, too "freakish," the other too "plain."

A couple of pages of questions followed, on the appearance of radiators, color schemes, upholstery, and on new mechanical features that seem to the visitor especially desirable or undesirable.

Mr. Weaver is talking things over with prospects this way every few months now. Last August (SM August 15) he asked more in detail about power, economy and comfort features to be desired (some of which may have been incorporated in GM's current offerings). Another questionnaire, on mechanical features, will be issued to this "Proving Ground of Public Opinion" in March.

Austin, at \$275, Retains Lowest-Price Position; Nine Cars under \$500

Seven American motor makers are now offering nine cars with a base price (f.o.b. factory) of less than \$500. Three of them—Austin, Continental and Willys—are selling cars at less than \$400.

American Austin Car Company, pointing out that its little vehicles are "not too small," but that "other cars are just too big," presents a coupe at \$275 (monthly payments within reach of \$20-a-week incomes), and a roadster for \$305.

The new Continental "direct-to-consumer" Beacon (SM January 1) sells from \$355 to \$395, and the Willys four from \$395 to \$475. The Ford four, probably to be replaced by a new model the latter part of this month, ranges from \$410 to \$595.

Among the sixes and eights, Hudson's Terraplane six is lowest, at \$425, followed by the Continental six, at \$450, Ford eight, \$460, Chevrolet, \$485, and Plymouth, \$495. The price base of the Rockne, lowest-priced member of the Studebaker-Pierce Arrow group, is \$585—the same figure as that of General Motors' Pontiac eight.

Coolidge Clipped a Coupon

A heretofore unpublished anecdote of the life and ways of Mr. Coolidge, with a couple of evidences of his Yankee caution is this: When Mr. Coolidge was President he read in the magazine section of the New York Times one Sunday an advertisement for de-nicotinized cigars. There were to be, as we remember, 20 for \$1. There was also a coupon attached. The Chief Executive clipped the coupon and sent in his check for \$1. A moderate smoker, the supply probably lasted him a month.

Tangible Greetings

Harry Bacharach, mayor of Atlantic City, extended individual New Year greetings to each member of the National Association of Retail Grocers (to convene there the week of June 25) and presented each with a box of chocolate-covered salt water taffy.

250 Recipe Distributors

General Foods Corporation has employed 250 people for national house-to-house distribution of recipe booklets. The campaign will continue until April 1.

Who's Now Who



(Left) Price Raiser: L. R. Boulware, general sales manager of Easy Washing Machine Corporation, Syracuse (and an associate editor of SM), has just told the trade about a price increase on the Easy line. "The public," says he, "will eagerly pay a little more for more satisfactory service."

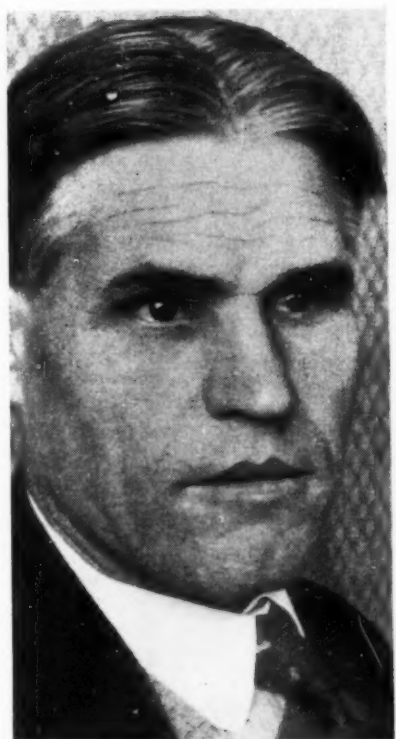


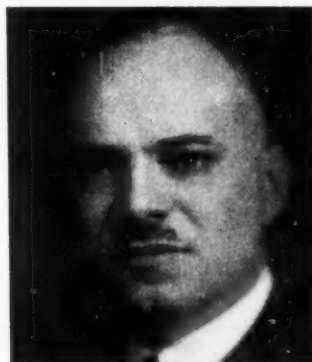
Photo by Soyuzphoto, Moscow, U. S. S. R.



(Left) Enlarged Specialist: General Electric, "looking to the refrigerator distributor more and more for the exploitation of its new major specialties," has established a specialty appliance sales department, under P. B. Zimmerman, Cleveland. In addition to electric refrigeration, already under his direction, Mr. Zimmerman will supervise the sale of GE ranges, dishwashers and kitchens.



(Right) Price Reducer: George Washington Hill, president of American Tobacco Company, New York, started the New Year with announcement of a price reduction of 85 cents on Lucky Strike cigarettes, to a base price of \$6 a 1,000. The other members of the "big four"—Camel, Chesterfield and Old Gold—followed.



(Above) Factful Publisher: John Guernsey has become editorial and research director of Retail Ledger Publishing Company, Philadelphia, (*Retail Ledger and Home Ware*). For the last three years Mr. Guernsey was in charge of the first retail census for the Census Bureau. Previously, he was vice-president in charge of store reorganization for Hale Brothers department stores in California and general manager, Controllers' Congress, National Retail Dry Goods Association.

(Left) Red Buyer: Replacing the suave and well-groomed Peter Bogdanov, Ivan Boyev has arrived in New York to take charge of Amtorg, principal Soviet purchasing—and sales—organization in the United States. Mr. Boyev, recently vice-commissar of foreign trade of the U.S.S.R., is expected to continue emphasizing the need of improved credit facilities here as a factor toward increased purchases of American products.

Charles, Decorator Extraordinary, Fights to Preserve His Name

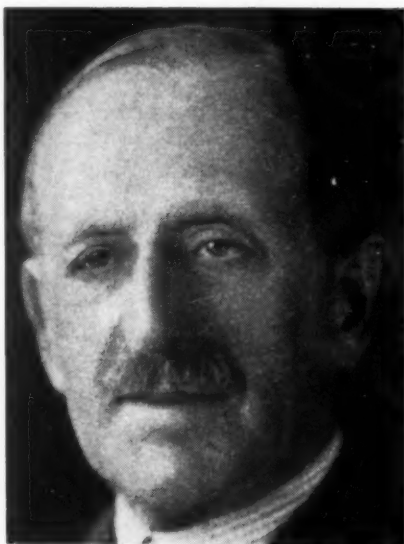
IT had become necessary for Charles of London to protect the alleged promiscuous use of his name. After 35 years of service in antiques and works of art to the world's great, the thought of suing Gimbels and Spear's, New York stores, and later a lot of other American furniture manufacturers and retailers (including some of the very biggest) rested heavily on his sensitive absent mind. The responsibility, the reluctance to face the inevitable publicity, weighed down his frail shoulders. He paced the floor of his galleries at Fifty-seventh Street and Park Avenue, New York, and shook his head gravely and a little nervously.

The suits being filed by Charles of London, Inc., in the Supreme Court of New York County are a last resort. He had tried to settle the real ownership of the trade-name Charles of London in other ways. But so many so-called Charles of London suites have been advertised in the last year that Mr. Charles decided that something drastic had to be done about it.

He alleges unfair competition and asks substantial damages. At all costs (but perhaps with some compensation) the purity of his lines, the authenticity of origin, must be preserved. On this purity and authenticity—and his own skill—he has done some \$10,000,000 of business in the United States in the last nine years alone. Possibly, he explained, he might have forgotten the great damage done to his own business—for Mr. Charles is a generous man—were it not for the necessity of protecting the clients of his house from ridicule. In quick staccato he rattled off the names of some in America, who had entrusted to his skill and intuition (it is said that he can take an empty house and furnish it in perfect taste in forty-eight hours) in the complete decoration of their homes. . . . Henry Ford . . . Alfred I. du Pont . . . the Stotesburys of Philadelphia . . . Mrs. Whitelaw Reid . . . the Crockers of San Francisco . . . the Pillsburys of Minneapolis . . . the Standard Oil Herbert Pratts. . . . Then he paused in what the reporter thought to be a sort of reverence, and mentioned the offices of John D. Rockefeller.

In passing he had referred to the executive suite of Macy's and the apartment of Mr. Bloomingdale of New York.

Charles of London—otherwise



One and Only Charles

Charles J. Duveen, son of the elder Sir Joseph Duveen and brother of the recently appointed Baron Duveen, all eminent art critics—feels, too, that he has a family responsibility to maintain.

The department stores (Mr. Charles said he blames them less than he does the manufacturers) have come to regard Charles of London as a generative term for furniture, and as such to use it as freely as Queen Anne, Chippendale or Sheraton. To this Charles of London replies that Queen Anne and Chippendale are not competitors of Gimbels or Spear's.

On the other hand, Charles praised the cooperation he had received from the newspapers of New York, who had been notified of the alleged fraudulent advertising being carried in their columns. None of them, said he, had carried a misleading advertisement after having received word from him. He commented particularly upon the treatment accorded him by the *Times* and added that he believed that this was the first case where the cooperation of the newspapers had been sought, and obtained successfully, under the laws of New York in putting a stop to alleged false or misleading advertising and the circulation of deceptive claims.

Charles of London has spent as much as \$25,000 a year in advertising in the United States, where three-fourths of its business is done. Manufacture is centered in London.

Mr. Charles, now 62, is reputed to be the outstanding authority on

Elizabethan interiors—his book on that subject, penned under the name of C. J. Charles, being a standard reference work. It was he who first introduced the Elizabethan period to the United States, but his imagination also runs with facility among the Jacobean and Tudor periods.

A generous man, he has given away two fortunes, and is now rapidly building a third. What he will do with it, said he, is his own secret.

Charles' clients must be his friends. They must vibrate on the same interior-decorative plane. A customer who questions his views or his taste in any particular, loses his services.

Trade Commission Names C. H. March, Chairman

The principal bane of some advertisers in 1933 will be Colonel Charles H. March, of Litchfield, Minnesota, member of the Federal Trade Commission, and just elected its chairman.

Colonel March intends especially to push the commission's investigation of electric and gas utilities, "to make such catastrophes as the collapse of the Insull companies unlikely, if not altogether impossible, in the future."

He is "sanguine as to the business outlook," but expects "no permanent prosperity until the farmer is placed in a position where he can . . . have some purchasing power."

And he thinks that the commission's work against misbranding and false advertising has saved the public "millions of dollars," and ought to be continued.

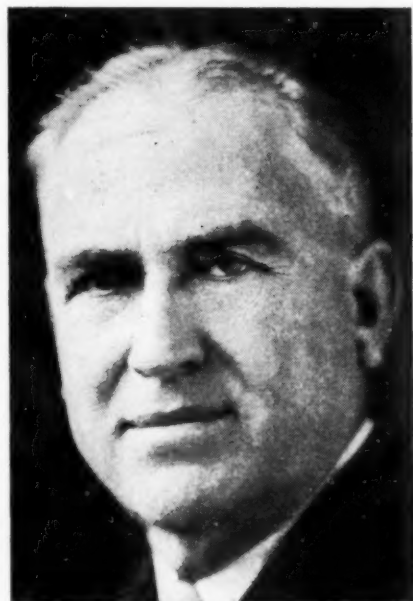


Photo by Underwood & Underwood
Inquisitioner

The Great American Tragedy of the "Social Front"

There is no irony in this page. Nor is the term "Social Front" used as a term of derision.

The Chinese have had a phrase called "keeping the face" which they have used for many centuries. And "keeping the face" has probably been responsible for that fine backbone of integrity and body of culture which our Occidental world has come to associate with that very old Oriental race.

Here in America we have been building up for some time what we have learned to call sociologically, our "Social Front", a very close parallel to the Chinese idea of keeping the face, and not to be confused for a moment with our comic strip idea of "putting on the dog".

This Social Front has been responsible for the books that we read, the theatres we attend, the leisure, social hours that we spend in one another's homes.

And it is in this group, so largely responsible for the cultural standards of our "Social Front", that the great American tragedy has occurred, a tragedy that is breaking down all the standards of living that have been in the building for a quarter of a century.

This is the group that has been hardest hit, and it is the second largest group in our American life.

This is the group that fits in between the thin layer of capital at one end of our social scale and the great mass of labor at the other. They are the people of positions who naturally have a "position" to maintain. "White Collars" labor used to call them in the days of social strife. In reality they are the people that we (the great majority of the readers of these pages) know. Many of us are the ones it is happening to.

So the story of this great American tragedy is not hard to tell and certainly not very hard to understand.

★ ★ ★ ★ ★

Salaries and earnings along the Social Front in many cases have been cut out entirely and in practically all cases have been cut more than in any other group. Because here is where overhead could be reduced the most.

But not a soul in America has taken into consideration that this Social Front has had to carry the burden of our entire social status.

The Social Front has had to pay far more for its housing than wage-earning America, or even than capitalistic America in proportion to income. Its own homes have been better so its taxes have been higher. In fact, it has carried

the greater part of the burden of tax. Its life insurance has been greater, its clothing cost has been higher, its inter-relation in all of its social exchanges has been far more expensive. And in addition to all of its established run of household overhead, it has tried to maintain its "position" as usual and keep its children in their schools and colleges.

Until today, the whole structure of this Social Front is at the breaking point.

★ ★ ★ ★ ★

In college Field Days, when it came to the quarter-mile race, we used to say that a runner ran the first 220 yards on his wind, and the last 220 on his nerve. But what we have been going through since 1928 has not been a 440-yard dash, but a grueling three-mile race, *in which most of the runners along the Social Front have long since exhausted both wind and nerve.*

★ ★ ★ ★ ★

If evidence of this situation were necessary, there is plenty of it. *Practically all of the buying along the Social Front has evened off or dropped below the level of the wage-earning homes. Along that Social Front every pantry now carries its unknown and cheaper brands, every bathroom shelf its substitutes.*

Today, wage-earning America with all of its own unemployment, must not only carry the burden of whatever mass production remains, *but must also take up the slack along the entire Social Front. Factory production along any mass scale hasn't a chance of continuing without it.*

True Story Magazine publishes this page in the interests of that Social Front, for we have *all* long since learned the lesson that we are all in the same boat. *No single group can prosper fully without the others.*

True Story Magazine happens to be practically alone in its field, reaching every month some two million of America's wage-earners who are still employed, and well employed. We know this beyond any question of doubt because they buy our magazine on the newsstands from month to month. And when they are out of a job, or when they are on part time and the purse has tightened up, they mighty soon stop buying it.

But even alone in this field as we are, we know that *wage-earning America cannot do this job—alone.* Now, as this nation comes out of its three-year slump, we must not neglect the vital necessity of increasing the income of the salaried worker who carries the standard of America's Social Front.

Paris Garter Plans Fifty Per Cent Increase in Advertising Budget; Kellogg and Goodrich Active

Companies in a wide variety of industries have made plans to apply more advertising gas to the sales throttle in 1933.

Not content with doing already 75 per cent of the business done by makers of standard brands of garters in the United States, A. Stein & Company, Chicago, plans to increase its Paris garter promotion "by at least 50 per cent," Joseph M. Kraus, advertising manager, told the company's recent sales convention. "Business is coming back," said Mr. Kraus. To SM he added: "Practically all types of media have been employed in our advertising over a period of years; in various periods we have concentrated more on some than on others." Mr. Kraus would not divulge the more fortunate ones in 1933.

"The largest advertising campaign in the history of the Kellogg Company, Battle Creek, undertaken last year, will be continued during 1933 on the same scope and basis," reports W. K. Kellogg, president and founder of this leading cereal products concern. "We have proved that, in our line of business the aggressive use of newspaper advertising is a most effective means of producing results—even in times like these."

With the appointment of Ruthrauff & Ryan, Inc., to handle its tire advertising, B. F. Goodrich Rubber Company, Akron—national advertiser for 62 years—is undertaking its "largest newspaper advertising program." And with its account now divided between two agencies, Goodyear Tire & Rubber Company, largest factor in this field, is expected to promote its products more intensively. Goodyear's farm advertising and truck and bus advertising is now handled by Batten, Barton, Durstine & Osborn. The general magazine and newspaper advertising of passenger cars, and the promotion of miscellaneous products, remains with Erwin, Wasey & Company.

Bigelow-Sanford Carpet Company plans "undiminished" advertising efforts for the Bigelow Weavers in magazines and trade journals.

Radio, newspapers and magazines will be used during 1933 "more extensively than ever before," by the Affiliated Products Group, Chicago, to promote the cosmetic lines of Edna Wallace Hopper, Inc., Louis Philippe, Inc., Kissproof, Inc., Neet, Inc. and

Jo-cur, Inc. Otis E. Glidden, formerly with American Home Products, is now president and general manager of this group, which advertises direct to the consumer—instead of attempting to "hypnotize the jobber and retailer."

Then there is the Great Atlantic & Pacific Tea Company, whose \$9,000,000 advertising budget for 1933 (\$7,000,000 for newspapers, the rest for morning and evening broadcast programs, magazines and miscellany) will be supervised by Paris & Peart, New York. A & P is out to get an even larger tonnage volume in 1933. There will probably be special campaigns on coffee and on bread.

Soup Sampling Campaign Sells 28,584 Heinz Cases

McCann's, Pittsburgh cash-and-carry grocer, introduced the new Heinz mutton broth and gumbo Creole soups to its customers by serving hot samples in small paper cups—and sold 28,584 cases in two weeks, many of the purchases being case lots.

Heinz, incidentally, is out to make a dent in Campbell's soup supremacy (Campbell is supposed to do 92 per cent of the canned soup business of the country). Heinz's first venture in this line was the cream of tomato, in 1897. Then followed cream of pea, in 1911, and cream of celery, 1912. Last month the company introduced nine others.

The soups, like other H. J. Heinz products, are distributed through the company's branches and warehouses, of which there are 61 in the United States. They will be promoted in an extensive advertising campaign.



"Point-of-Use" Display Wins 3,000,000 Sales in 10-Month Period

"Roll Your Own, and See What You Smoke," had a quality appeal, but the cigarette machine offered by Brown & Williamson Tobacco Company, Louisville, two years ago, in connection with the introduction of its Target tobacco, was intended also to capitalize on the economy trend of the times. This trend was given greater force by the imposition of "cigarette taxes" in various states.

Since "rolling your own" is not always a satisfactory procedure for the novice, the machine became part of a tobacco, paper and cigarette case deal. It provided the public with 30 to 40 cigarettes for 10 cents, and a bit of "mechanical" amusement as well.

The combination was advertised

in various media. A display by Brunhoff Manufacturing Company, Cincinnati, who also developed the rolling device, attracted multitudes to store windows. But the most effective medium was the device itself in operation in homes.

Brown & Williamson's first order for these devices was 500 a day. Within a month it had been stepped up to 35,000 a day—and eventually reached 50,000. Within 10 months 3,000,000 Target customers had been won. The total number since the introduction of the deal was 6,000,000.

The demand was not confined to those states that had cigarette tax laws, officials of Brown & Williamson pointed out, nor to the "less sophisticated" sections of the country. Sales coincided with density of population. New York City provided 500,000.

Thus throughout the depression the sale of Target tobacco has risen steadily.



TRULY A JUMBO MARKET

Right here in New York City there are more than a MILLION Italians. That's a city in itself larger than Boston—larger than St. Louis—almost twice the size of San Francisco—and closely concentrated into compact residence areas, making them easy to reach and economical to sell.

Large families with many children over school age working and contributing to the family fund. Four, five and six pay envelopes every week. Jovial, merry-making people with hearty appetites and money to spend.

Newspapers reflecting their ideals and aspirations—reporting local and national events of paramount importance to their lives.

Advertising in their own papers—in the language in which they think is a direct invitation for them

to buy. Make them feel that their patronage is desired and appreciated, and they will respond with whole-hearted enthusiasm.

Our own 678 Italian druggists and 1575 Italian grocers who are *OUR* friends can be *YOUR* friends. They and their wholesalers can attest to the efficiency of our merchandising service.

Consult, if you will, such diversified advertisers as Frigidaire, Blue Ribbon Malt, Chevrolet, Reo, Plymouth, General Motors, Rem, Bon-Ami, Lucky Strike, Helmar, Chesterfield, Old Gold, Castoria, Cuticura, Feen-a-mint, Fada, Bab-o, Hecker's Flour, Pillsbury Flour and numerous others who for many years have opened the purse strings of this great "CITY OF A MILLION."

THE ITALIAN MARKET

42 ELM STREET, NEW YORK CITY

IL PROGRESSO ITALO-AMERICANO

CORRIERE D'AMERICA

(MEMBERS OF THE A. B. C. AND A. N. P. A.)

Marketing Executives Plan Steps Toward Business Recovery



Dr. L. D. H. Weld

Celebrating the completion of its first full calendar year, the American Marketing Society joined the ranks of business optimists by devoting the theme of its convention in Dayton, Ohio, on December 27-28, to the subject: "Marketing During Business Recovery."

The 200 members in attendance heard practically every speaker emphasize the responsibility for leadership devolving upon those engaged in marketing operations.

Following the introductory address of the convention chairman, Robert L. Lund, vice-president, Lambert Pharmacal Company, St. Louis, and president of the National Association of Manufacturers, a symposium on the nature of the present problem and what is needed for recovery took up the time of the convention for both morning and afternoon sessions of the first day. Among those who took part in the discussion were:

Frank B. Heitkamp, general sales manager, Cincinnati Milling Machine Company; Bennett Chapple, vice-president, American Rolling Mill Company, Middletown, Ohio; William H. Hodge, vice-president, Byllesby Engineering & Management Corporation, Chicago; Wheeler McMillen, associate editor, *The Country Home*, New York City.

Mrs. Edith McClure Patterson, Dayton, spoke for the consumer and followed by five other women representing farm, wage-earner and school teacher consumers. All spoke of the necessity for honest selling by retailers, in the interest of quality merchandise and intelligent spending by the consumer with reduced income.

Stephen I. Miller, economist, R. G. Dun & Company; Paul S. Willis, vice-president, Comet Rice, president of the Associated Grocery Manufacturers of America; Louis H. Bronson, Bronson & Townsend, New

Haven, Connecticut; P. A. O'Connell, president, E. T. Slattery Company, Boston, and president of the National Retail Dry Goods Association. (Detained, Mr. O'Connell's paper was read by H. S. Ames, of the department store, Mearick-Ames Company, Dayton.)

Asa Strause, secretary-treasurer, Red & White Corporation, Buffalo; Walter S. Rowe, Estate Stove Company, Hamilton, Ohio; John S. Jones, sales promotion manager, Purina Mills, St. Louis; Robert J. McFall, Bureau of the Census; William Judson Kibby, personnel consultant, Detroit.

Prof. Hugh E. Agnew, New York University; Earle French, Herbert F. French Company, Boston; D. D. Fennell, director of sales, Merchandise Mart, Chicago; Prof. H. H. Maynard, Ohio State University.

A. W. Neally, Continental Marketing Corporation, Chicago; Sidney A. Swensrud, assistant to the president, Standard Oil Company of Ohio.

Four round table discussions were held the second day. Discussions and leaders were as follows: "Working With Retailers," Sidney E. Carter, Rice-Styx Company, St. Louis; "Marketing Budgets in 1933," William H. Lough, Trade-Ways, Inc., New York City; "Solving Credit Problems in 1933," Stephen I. Miller, R. G. Dun & Company; "Selective Selling," Dr. L. D. H. Weld, McCann-Erickson Company.

Dr. L. D. H. Weld, first vice-president of the society, was elected president, succeeding Dr. Paul T. Cherington. Nathaniel W. Barnes was re-elected secretary. Other officers will be chosen after a revision of the constitution of the society.

Excerpts from several addresses follow:

By Paul T. Cherington, *Retiring President,* *American Marketing Society*

The work which confronts American business in the betterment of its marketing operations is, fundamentally, the job of setting up marketing organizations and operating them with strict attention to their social, commercial and ethical requisites and with a minimum regard for such costly motives as custom, tradition or habit. Market analysis, selective distribution, sales control, market trend study, replacement rates, turnover, mark-up, mark-down, suggestive selling—all the details of modern marketing, if properly worked out, are means for cutting down waste motions and increasing the certainty of nice adjustment of goods to human wants and needs. Among the materials available for improving what has already been done are new available market data such as the Dis-

tribution Census of 1930, fortunately taken at a time when distribution activities were at a peak; Department of Commerce studies in grocery and drug distribution; various private studies, such as that on consumer expenditures made by *Business Week*, and by William E. Lough and R. M. McNiece. Second only in importance to this growing body of reliable market data is the advance made in market research technique. Much of the work done only ten years ago now seems superficial and naive, although much was sound in conception and execution.

This country does not need any new-fangled remedy for its economic troubles. It needs constructive individual thinking and working, freed from traditions and inhibitions, addressed to the problem of bridging better the gap between superabundant production and enlightened consumption.

By Dr. L. D. H. Weld, *McCann-Erickson Company,* *President, American Marketing Society*

Both producers and marketers must pay attention to the broader problem of better coordination of production and demand. This brings up the question of better economic planning through trade associations, and possibly through some advisory national economic council. It also brings up the question of modification of the anti-trust laws to permit voluntary agreements to curtail production and sales. The suggestions made by leading business men on this point seem to lead too directly towards government price control. Such a result might be worse than unregulated competition. One of the principal problems of the future is to develop and expand in such a conservative manner as to prevent the recurrence of such serious marketing situations as we have had since 1929.

By Dr. Frank M. Surface, *Assistant Director,* *Bureau of Foreign and Domestic Commerce*

Twenty years ago Frederick W. Taylor introduced the method of unit measurements of the work of men and machines, the basis for modern production cost accounting. Is it possible to develop similar methods of distribution accounting? In the Department of Commerce we, along with others, have been attempting to develop practical methods of determining the cost of handling individual commodities, serving individual customers and performing other individual services. The time is not far distant when it will be

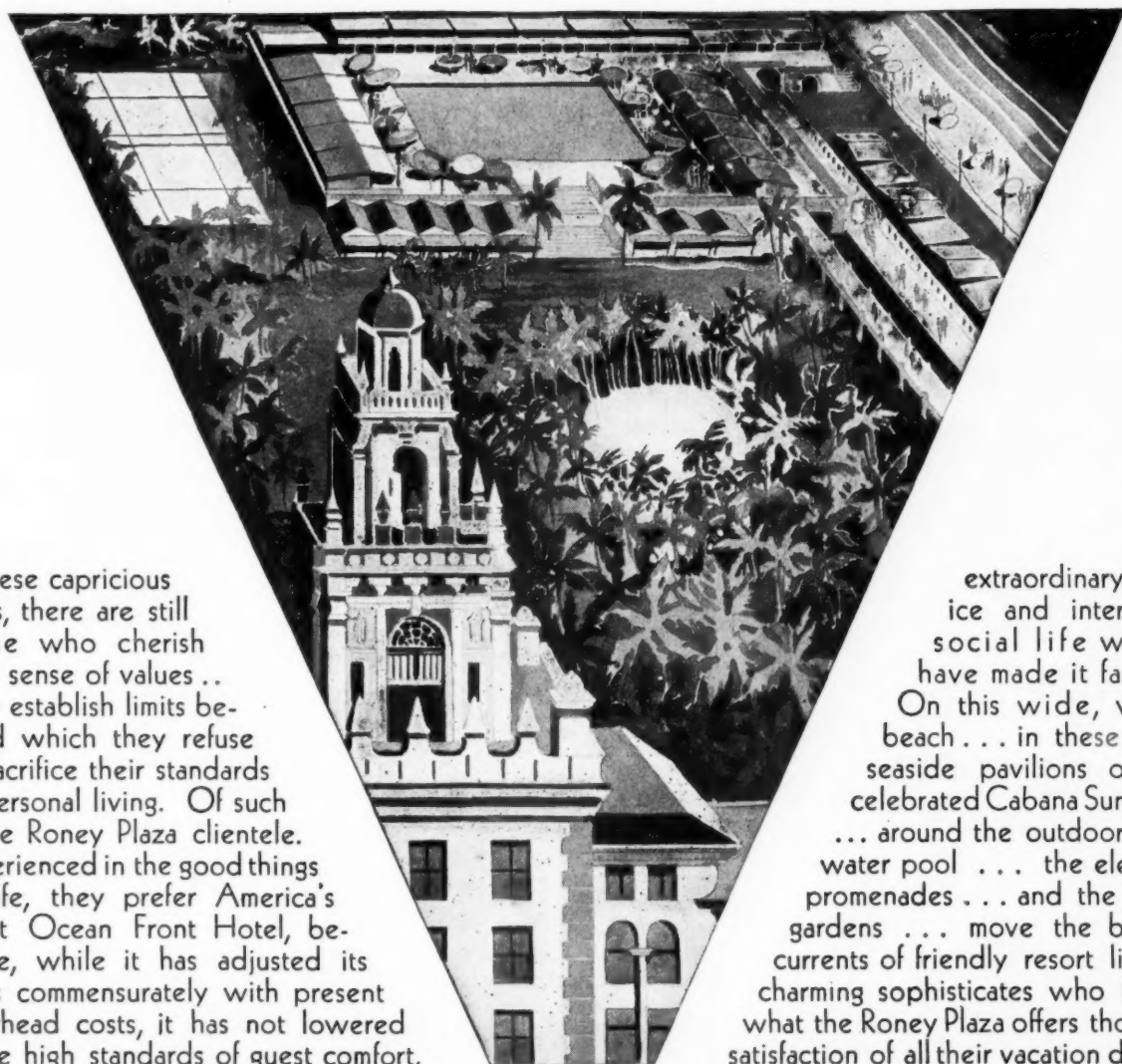
(Continued on page 81)

A M E R I C A ' S F I N E S T O C E A N F R O N T H O T E L

RONEY PLAZA hotel

and CABAÑA SUN CLUB

M I A M I B E A C H . . . F L O R I D A



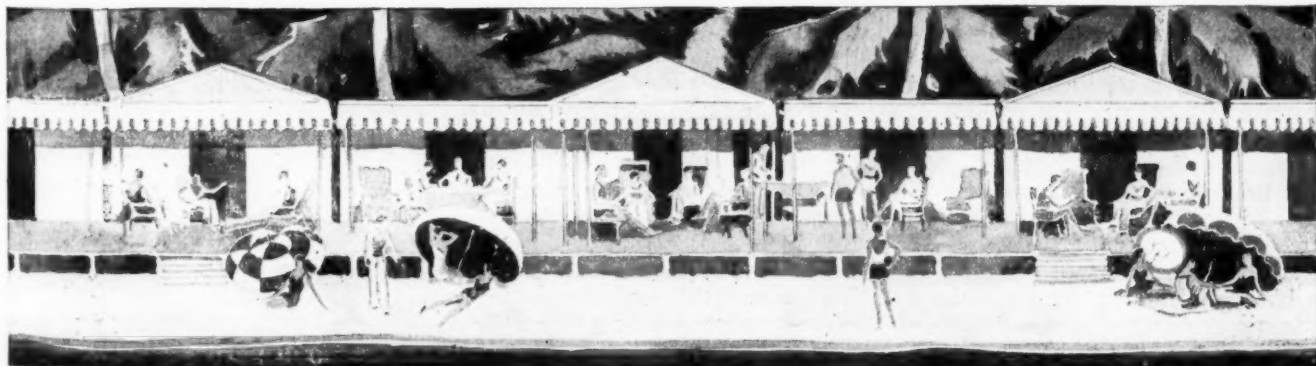
In these capricious times, there are still those who cherish their sense of values... who establish limits beyond which they refuse to sacrifice their standards of personal living. Of such is the Roney Plaza clientele. Experienced in the good things of life, they prefer America's finest Ocean Front Hotel, because, while it has adjusted its rates commensurately with present overhead costs, it has not lowered those high standards of guest comfort,

N. B. T. Roney
President

Open from December 10th

extraordinary service and interesting social life which have made it famous. On this wide, white beach... in these smart seaside pavilions of the celebrated Cabana Sun Club... around the outdoors salt-water pool... the elevated promenades... and the tropic gardens... move the brilliant currents of friendly resort life... charming sophisticates who find in what the Roney Plaza offers thorough satisfaction of all their vacation desires.

Edward B. Jouffret
Managing Director



25 Brightest Spot Cities of 1932

Business activity in 1932, as measured by bank debits, eleven months actual and December estimated, was nearest the 1926-1928 normal in the following 25 cities. The grouping is arranged according to size groups of retail trading areas as calculated by the International Magazine Company.

	Trading area pop.	1932 Percentage of normal
Cities over 1,000,000		
Newark	1,042,000	74.4
Baltimore	1,086,000	68.5
Cincinnati	1,036,000	60.1
Los Angeles	2,360,000	57.1
St. Louis	1,836,000	56.7
Cities 700,000 to 999,000		
Washington	791,000	79.5
Indianapolis	726,000	66.8
Atlanta	718,000	66.4
San Antonio	714,000	63.9
Kansas City	822,000	60.8
Cities 500,000 to 699,000		
Oakland	521,000	70.1
St. Paul	538,000	64.1
Houston	688,000	61.7
Dallas	567,000	60.7
Providence	648,000	58.5
Cities 350,000 to 499,000		
Richmond	354,000	76.9
Hartford	359,000	74.0
Des Moines	473,000	70.6
Scranton	371,000	67.1
Syracuse	372,000	66.4
Cities 250,000 to 349,000		
Albany	270,000	79.4
Trenton	287,000	68.9
Wilmington	288,000	66.9
New Haven	325,000	66.4
Peoria	293,000	63.2
U. S. A. AVERAGE (262 largest cities)		54.1

How to Sell the Italian Market

(Continued from page 60)

can the Italian newspapers, whose merchandising services usually provide the connecting link between the two, and which are an important part of the Bacigalupis. The stores do carry national brands, under strong persuasion, but even then they will not promote them. When the products become entrenched, however, they are likely to remain so.

The average Italian storekeeper is a bit peeved at the average national advertiser when the n. a. attempts to sell the Bacigalupis without using the

Italian-language newspapers. One of them told a big baker: "Our money goes to help the American stores sell more bread. They get advertising from our sales; we get no advertising."

Sampling, without proper advertising support, usually fails. One company wanted to give a grocer some samples for free distribution to the B's. The grocer balked, thought it would be a waste of time—until he learned that the product was to be advertised among his customers. Even then sampling takes a lot of explain-

ing, and advertisers who know the market employ Italian crews.

The Italian newspapers help in this connection. They also undertake to install displays, and ask the storekeeper when he wants the manufacturer's salesman to call. It is easier that way, and the salesman is introduced by a mutual friend.

B. T. Babbitt, Inc., New York, has effected 100 per cent distribution for its product Bab-O, a cleansing powder, in the New York Italian market in the last year. A recent advertising campaign in *Il Progresso*, a leading Italian language newspaper, is proving so effective, Henry W. Flexner, advertising manager of the Babbitt Company, pointed out, that the appropriation for this newspaper probably will be trebled in 1933. Bab-O's distribution to this market is through jobbers.

Pillsbury's, Gold Medal and Hecker's are the leading brands of flour in this market. Pillsbury formerly employed its own men to sell the Italian grocers, but now sells through jobbers. The Pillsbury men, however, still do the contacting.

Once in, the advertiser of quality products finds the Bacigalupis liberal and loyal customers. Though Maxwell House leads in coffee sales, Beech-Nut and even those higher-priced Yuban and Martinson brands are popular. In some Italian sections the French roast coffee price runs up to 65 cents a pound.

For olive oil they pay more on the average than American families. P. Pastene & Company increased its olive oil sales in the New York market last year about 75 per cent above its four-year average, and the number of its outlets from 1,000 to 2,600, with the help of an intensive Italian newspaper advertising campaign.

In spite of the depression the Bacigalupis are doing nicely. They saved more than the average American family when times were better, and though one of their breadwinners is now unemployed, they are still able to eat well and digest comfortably.

Advertisers, zealous for compact, convenient and relatively prosperous markets, should drop in on them some evening at supper time, and learn more about them.

New York Italian-Owned Retail Outlets

	Italian Popu- lation	Grocery Stores	Drug Stores	Butch- ers	Res- taur- ants
Manhattan...	206,702	497	202	204	409
Bronx.....	165,004	154	145	191	83
Brooklyn...	487,344	747	215	362	204
Queens.....	127,381	164	111	118	61
Richmond...	29,924
Total	1,070,355	1,562	673	875	757

Still Doing Business at the Old Stand

AND what a business, *what* a business! Here is one spot along the highway where folks pause long enough to spend money, real money.

What stand? We mean NEWARK, one of the country's brightest retail business spots. The highway? A group of 262 largest cities in the country. The retail record established in 1932 has proved all the claims of this fast moving, quick responding market.

During 1932 Newark's retail business averaged 75.65%* of normal. The 262 cities averaged 55.1%. Quite a difference, isn't there? Newark topped the country by 37%. And most important, the spending power of an industrial city created this intense activity. Plain to see Newark has no inferiority complex.

Remember the one about the man being judged by the company he keeps? Well, last year the NEWARK EVENING NEWS published more advertising than any other morning or evening newspaper in the United States publishing six days only. (And a lot of seven-dayers, too.) That makes three in a row. Ah, the medium in perfect tune with the market.

And there's where *you* come into the picture. Every day you delay getting into this market means smaller figures on the black side. It might even change the color from *red* to black. Newark presents a market-media opportunity you'll go a long way to find again. The NEWARK EVENING NEWS influences more family budgets than any other newspaper published or sold in its territory. In market contacts it will give you over 50% more than any other local daily. Consider the economy of one-cost coverage, especially where that coverage is so complete—and purchase inspiring.

Umm-m-m—Still doing business at the old stand. Retail activity 75% of normal—linage leadership—umm-m-m. Will we be hearing from you soon?

*SALES MANAGEMENT'S compilation of Bank Debits.

Newark Evening News

EUGENE W. FARRELL, Business & Adv. Mgr.,
215-221 Market Street, Newark, New Jersey;
O'MARA & ORMSBEE, General Representatives,
New York . Chicago . Detroit
Los Angeles . San Francisco

Timken's Consignment Plan

(Continued from page 57)

mindful of this one dealer whom we had been selling on open account and we wondered whether it would be well to extend this privilege to certain others.

"Our first thought was to limit the offer in numerous ways, but by the time we were ready to introduce it, we had decided to make the offer to practically all dealers. We began in April, but didn't make a public announcement until September.

"About 60 per cent of our dealers are now using the plan and 75 per cent or more of our sales are on consignment. This means an increase of perhaps 30 per cent in our own inventory, as we carry the dealers' stock for them.

"Very little risk is involved, as we retain title to the goods until they are sold to consumers and we pass on all contracts. If a dealer should fail, we could probably get our goods back and even if we couldn't, the loss would be small, as he would likely have only a few burners in stock. So far, we haven't had any loss at all."

Dealers who desire to take advantage of the plan enter into a written agreement with the company, chief features of which provide that, in return for receiving goods on consignment, they will assign all contracts (with retail purchasers) to the company, title to burners is retained by the company until they are fully paid for, and the company has the right to examine the dealers' books, have them audited, or require a financial statement at any time. The agreement is subject to cancellation on thirty days' notice by either party.

Dealers must secure formal contracts and notes from their customers and submit these to the factory for approval. The factory endorses the paper, discounts it with a finance company, remits the dealer's share to him, and retains the balance.

Dealers may order as many burners on consignment as they need, but the factory keeps a constant check on their stock and asks for explanations in case a dealer orders additional burners before having reported the sale of the ones he had or orders more than he apparently requires for a quick turnover. If any dealer fails to keep his agreement, negotiations are instituted immediately to see that he does so.

Dealers are not obligated to use their capital, which has been released by the consignment plan, in advertis-

ing of promotional work, but they are encouraged to do so and it is said that many of them do this of their own accord.

As Mr. Walsh explained, the wholesale salesmen are now free to devote practically all their time to educating dealers and retail salesmen and to resale work, and the dealers are more favorably disposed to accept their advice, because the factory now has an interest in their business.

"The success of the plan so far has been fully up to our expectations," he said. "It has enabled many dealers to continue at full capacity who otherwise would have been retarded by their inability to secure goods, it has enabled all dealers to devote their full energies to selling, and it has sold a

lot of goods for us which otherwise would have been unsold.

"Note particularly that this consignment plan includes arrangements whereby the installment contracts of dealers' retail purchasers are discounted through us. Because our company guarantees the account, financing connections are made available to dealers whose own financial statement might not be strong enough to satisfy a finance company. This has made it possible for us to select dealers who have a maximum of sales and technical ability, rather than being forced to sell through dealers who are strongly financed, but who have no other desirable features to recommend them."

The plan will undoubtedly attract more than usual interest on the part of other specialty manufacturers. Mr. Wood said one manufacturer who sells through jobbers had already made a study of it and indicated that he would inaugurate a similar plan at once.

"Bread and Butter" Accounts

(Continued from page 61)

associates, and otherwise exhausted all the many facilities available to us as representatives of a large corporation, in retrieving the "lost account"?

Analysis of Potential New Accounts

List each distributor and consumer which has never bought from us, in one of the three following groups, as refers to our relations with them for the last six months of 1932. Those which have not bought since prior to 1930 may be included, as well as distributors of materials which would logically go well with the distribution of steel products, and consumers using metals other than steel for purposes where steel can be used satisfactorily.

Group "A"—Accounts Which Have Never Been Solicited.

(Note: Theoretically there should be few such in any territory where we have been operating any length of time.)

1. If a distributor, possibly we have not solicited them because we already have a satisfactory distributor. Even so, would it not be well to "solicit" them at least to the extent of occasionally calling? At some time it may be necessary to change our distributor or supplement his efforts.
2. If a consumer, possibly he is known to be satisfied with com-

petitor's material. However, should we not keep contact with him, sending him our engineering and advertising booklets, looking to the time when he may become dissatisfied with his present source of supply?

3. If a desirable account from a sales point of view but not solicited because considered not strong financially, have we tried judiciously to assist by doing the things which fall within our province to improve his financial standing? Management and ownership are constantly changing. Possibly with up-to-date information we might be able to consider selling them.

Group "B"—Have Been Solicited, but Not Yet in the Market.

(Note: Accounts which have promised us their business when in the market.)

1. If a consumer, is there any business we might throw their way which in turn would create the need on their part of purchasing steel?
2. If a distributor, have we worked with them among their buyers to get orders, which in turn would mean orders for us?
3. Have they bought from others since they last promised to give us some business? If so, why were we not favored as promised?
4. Assuming that we have done personally everything possible to get an order now, is there any help which our immediate associates or

others connected with the corporation might give?

Group "C"—Solicited, Are Buying Steel Products But Not From Us.

(Note: These are the so-called "old accounts" of our competitors. There are generally definite reasons why accounts buy from one source of supply in preference to another.)

1. Do you know *definitely* why we do not receive business from them? Be sure your answer is based on *recent* information.
2. Assuming that the reason is something beyond your control to rectify, have you reported it to headquarters recently? Perhaps we are now able to meet conditions previously considered impossible.
3. Due to the fact that you have called many times and perhaps know the account intimately, is it possible that you have failed lately to approach them with your accustomed zeal, dwelling on our possibilities for service in a thorough manner, such as you would adopt were you approaching a new account for the first time?

Messrs. Taylor and Wasey to Popularize Conch Food

E. E. Taylor, formerly executive vice-president of General Foods Corporation, and L. R. Wasey, chairman of the board of Erwin, Wasey & Company, have organized the Bahama Isles Foods Corporation, to make and sell edible products from *el conch*, the great Bahama pink conch. This conch (a conch is a mollusk) has been regarded as the staff of Bahama life.

New York headquarters have been opened in the Graybar Building. The manufacturing plant is in Miami.

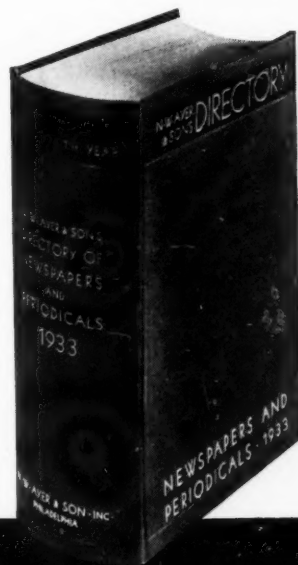
Budweiser and Schlitz Plan Quick Changes

It is said that the Budweiser malt electric signs, recently installed for Anheuser-Busch of St. Louis at strategic business corners throughout the country, are so arranged that the word *malt* becomes *beer* on immediate Presidential notice.

And Schlitz of Milwaukee, once the leading beer advertiser, writes its malt syrup copy deftly. Without mention of real beer, this company points out that "when the new day dawns, history will repeat itself. . . . America's favorite will be: 'Schlitz—The Brew that Made Milwaukee Famous.'"

MARKETS

*. . . And the
road to reach
them via the
Printed Word*



- THE 1933 edition of N. W. Ayer & Son's Directory of Newspapers and Periodicals is off the press.

This volume has long been recognized by the publishing industry as an uncommon source of authentic information on the circulations of newspapers, magazines, trade papers and other periodicals published in the United States, its dependencies, and Canada.

These statistics, together with much valuable data released from the 1930 census, are included in the 1933 edition. The new volume records the suspensions of newspapers and magazines during 1932. It records many new publications. It covers numerous consolidations; it records changes in circulations which affect many publications.

The Directory of Newspapers and Periodicals gives an accurate realignment of the populations of each state; it gives a picture of each state's wealth as measured by crops, industries and resources. It provides important market information. The 100 maps—world, state, airway and airport, economic, population and U. S. Standard Time—revised and up to date, constitute a comprehensive atlas.

There will be but one 1933 edition. No thin-paper copies will be printed. The midyear supplement, usually issued in July, will be omitted. The price is \$15, post-paid in the United States and Canada. We suggest an early order so that you may be sure of securing a copy of this important work. We print but a limited edition.

N. W. AYER & SON, INC.

Advertising Headquarters

WASHINGTON SQUARE, PHILADELPHIA

New York Boston Chicago San Francisco Detroit London

Marketing Executives Plan Steps Toward Business Recovery

(Continued from page 74)

just as necessary for the up-to-date distributor to know his costs by items and customers as it is for the manufacturer to know his production costs. When that time comes we will find the average distributor handling fewer items and serving fewer customers.

By Robert L. Lund,

General Chairman, Vice-President and General Manager, Lambert Pharmacal Company, St. Louis, President of National Association of Manufacturers

The depression has affected marketing more perhaps than any other business activity. Lessened buying power and weakened credits have made selling extremely difficult and have brought an almost universal demand for lower prices and cheaper merchandise. Everywhere the effort has been to cut down inventories and to secure better buying terms. Buyers and the public have been more critical of quality. In addition to all of these things, marketing staffs have been confronted with the necessity of reducing their own operating costs and of improving their methods and increasing their efficiency. It is clear that the problems of marketing are even more difficult than those of production and their importance is measured by the tremendous costs involved. The savings that can and should be made amount to thousands of millions of dollars. No field of study offers more promise of benefits to our national economy.

By Louis H. Bronson,

Bronson & Townsend, Wholesale Hardware, New Haven, Connecticut

The wholesaler should sell the manufacturer's name as well as his products; for most manufacturers have spent much money and time in making their name valuable.

The wholesaler should carry out the manufacturer's selling policy, including resale prices if such are established; he should maintain records of his selling plan and selling results in such form as will be intelligible to the manufacturer, and in every way make it possible for the manufacturer to be a party to the planning.

The wholesaler should not be in contact with the manufacturer's competitor except when and as the circumstances of that contact are mutually understood.

In return:

The manufacturer should not be in competition with his wholesaler.

The manufacturer should sell his wholesaler at as low a price as he sells to anyone else directly or indirectly, and this statement means exactly what it says.

The manufacturer should accept it as his responsibility to set up such a price structure as will enable the wholesaler representing him to earn a moderate net profit.

If these mutual responsibilities are accepted the development of a plan of selective and controlled distribution for a given trade area is a problem of detail only. A thing of fundamental importance, however, is that both buyer and seller accept a sense of social responsibility in their mutual relations similar to that which every successful employer of labor now accepts toward the men and women working for him.



Roger M. Combs, Jr.

Combs Heads Air Express; Traffic Up 500 Per Cent

Roger M. Combs, Jr., of American Airways, Inc., reputed "father of air express," who has just been elected chairman of the General Air Express system, reports an increase of 500 per cent in this traffic in 1932.

The system offers shippers 24-hour service to 130 cities in all states over 18,000 miles of airways. It is composed of American Airways, Transcontinental & Western Air, Inc., Eastern Air Transport, Transamerican Airlines, U. S. Airways, Pennsylvania Airlines and Ludington Airlines, Inc. Postal Telegraph & Cable Company helps to facilitate the service.

Are You Under-Advertising in Today's Best Markets?

What are today's best markets? Three-year-old figures will not tell you. The SALES MANAGEMENT "Survey of Spending Power," ready in March, will give the answer to the end of 1932.

Quotas can be set more accurately, territories divided scientifically, and advertising appropriations allocated such a way as to give the big push where results will be forthcoming—by using these figures from the Survey.

- 1—*Population*—by states, counties and cities above 10,000. There have been important shifts since 1930.
- 2—*Automobiles*—by states and counties, grouped cars selling above and below the \$1,000 mark.
- 3—*Retail Sales*—by states, counties and cities.
- 4—*Spendable Money Income*—by states and counties and divided between Industrial and Farm Income.

The "Survey of Spending Power" is the one place where you can find up-to-the-minute data on how many people there are, where they live, how much they have to spend.

Available only to paid-in-advance subscribers.

SALES management

420 Lexington Avenue
New York, N. Y.

For the last two years Sterling Products is supposed to have been "taxed" to keep the rest of the business functioning.

The next day the British government, anxious to stabilize the pound, held up the sale.

C o m m e n t

THE SUBSCRIPTION RACKET: It's high time that a group of leading consumer magazines got together and cleaned house on this door-to-door magazine subscription racket because it is building a tremendous amount of ill will for *all* magazines. . . . Two of the SALES MANAGEMENT editors happened to be present the other evening in a Manhattan apartment when one of these solicitors came to the door. The salesman was a young man of approximately twenty years of age who knocked on the door without ringing in the lobby or otherwise announcing himself. When the hostess went to the door he bowed an irreproachable "Good evening," and then, "I was to come back and see you." With all the air of a guest, he started to walk in, but the hostess, wise to the ways of door-to-door salesmanship, kept her hand on the knob so that passage was barred. "You were to come back and see me?" she inquired with some surprise; "Who told you to?" He then mentioned the name of a woman who lived on the floor above, but who, as it happened, the hostess did not know, even by sight. (Complications always ensue in these standard presentations when the prospect doesn't behave according to formula.) "Oh," said the hostess at this point, "it's another magazine subscription proposition." Without replying to that remark, the boy went on with his story. No, he wasn't being put through college, and he didn't pull the one about did-you-have-any-relatives-in-the-world-war, but he did have enough "credits" so that he was standing third on a list of several hundred names (which he exhibited) to win an airplane! No mention was made of any magazine up to this time. The point of perfect absurdity was reached when the salesman offered to take the lady for a ride in the plane if he won it! Finally, upon the hostess' statement that she was *not* interested in subscribing to any magazine, he exhibited a list of periodicals—and almost all the leading ones were there—and endeavored to switch over to a talk about getting renewals. . . . When the door was finally closed in his face, the hostess returned to her group with a vitriolic tirade against all publishers. This was the third time in a month a man had imposed on her social time in the evening to tell a smooth story. The fact that a man attempts to gain an entrance to a home by dropping a remark which suggests that he has that right by virtue of the reference of some personal friend is, alone, enough to insult any intelligent woman. . . . Advertisers have been doing a lot of thinking of late about forced circulation. If they get the impression that any great proportion of magazine circulation is being built in this pernicious manner, they will certainly transfer their patronage to other media. Subscription racketeering is a problem for the magazine publishers to lick before it licks them.

MERGERS AND MARKETING: In the course of a recent address before the American Economic Association, W. J. Donald, partner of James O. McKinsey & Company, remarked as follows: . . . "It is generally agreed that the expected economies of the merger movement had less realization in the marketing aspects of business than in production or in finance. It has been usual to man executive positions following huge mergers with thoroughly competent financiers, attorneys, engineers and production executives. All too frequently, the marketing problems of a merger have been discussed in glib ignorance by persons who treated the marketing problem as though we were still in the seller's market, which we lost a decade before, or by persons who dealt with the subject as though it could be solved in as quantitative and mathematical a fashion as an engineering, manufacturing or accounting problem. Too frequently it has been taken for granted not only that volume of sales could be maintained, but also that the volume would be increased indefinitely, and it has sometimes been assumed that that increase could be secured despite economic recession with a smaller sales force, with less sales effort, less advertising, and, unfortunately, as a rule with no thought of merchandising." . . . There is undoubtedly a great amount of truth in what Mr. Donald says. It may, at first blush, sound peculiar to contend that competition these days is as much internal as it is external. Nevertheless, such is very much the case. Each organization is endeavoring to meet competitive organizations on the firing line with (a) improved products, (b) cheaper prices, (c) more effective sales promotion, making for wider markets and a greater percentage of former markets. Each company is endeavoring to arrive at these results by minimizing (a) cost of materials, (b) cost of manufacture, (c) overhead charges, and (d) distribution and sales promotion costs. Virtually no company is dominated by an executive whose ability is equally good in all of these necessary directions; hence, the conflict *extraordinaire* within each organization. Never has the internal battle of reconciliation between production, financial and sales executives been waged as keenly as it is now being waged. Furthermore, complete internal victory by any one faction by no means assures external victory for the company. Success today very obviously depends on obtaining, however difficult the process, a proper balance in management through attaining a truly effective blend between the human production, financial and sales abilities with which a given company is endowed.

Ray Bill

"I Think That—"

1933

"Possibly the best basis for trying to judge the immediate future is the recent tendencies of the past. For that purpose I know of no better index than the use of electricity throughout the United States. This index is the quickest reflection of business activity because when a manufacturer gets an order he starts a motor to run his machinery and turn out the order, and in the household the increased use of light and appliances may be a reflection of a little more employment or, at all events, better psychology. In 1932 there was a decrease in use of electricity in each quarter compared with 1931, but distinct improvement in the last quarter.

"Another excellent index of business activities is freight carloadings. When an order is completed and shipped, it is immediately reflected in carloadings. Here the curve is very similar, showing that the low point was reached in the summer of 1932, with a distinctly upward comparative trend for the last quarter.

"Orders received by the electrical manufacturing industry, as reported to the Department of Commerce (with the fourth quarter estimated), show a distinct trend in the same direction. Therefore, we are hopeful that this comparative trend will continue upwards."—GERARD SWOPE, President, *The General Electric Company*.

An Experiment

"When the advertising of certain Southern power interests was first begun they went first into trade papers with the idea that through those publications they could more directly reach manufacturers. The advertising was moderately successful. It attracted quite a few inquiries and even sold some companies on the idea of moving to that part of Dixie.

"But after a few months of advertising the advertiser became more ambitious. He didn't believe that his advertising was receiving quite the scope that it should have. It was finally decided to make an experiment and run a trade paper advertisement in one of the national weeklies. What they actually did was to take the trade paper copy, modify it very slightly, and run it in the national magazine.

"The copy in the national magazine out-pulled the trade paper by a good many per cent, even on the basis of inquiries from the one particular industry. On the face of it it sounds like a wonderful testimonial to the national magazine. But this man who was responsible for the advertising was curious to know what had happened. So he investigated and found out that a very large percentage of the people who had answered the ad in the national magazine had previously seen the ad in the trade paper.

"It would almost seem that the trade paper had failed to get action while the national magazine had produced it. Perhaps that is true. What seemed to have taken place was this: The trade paper reader saw and studied the ad in the industrial publication, and then, perhaps because of the stress of business, he put it aside with the idea of answering it later. Then when he got home and had time to

read his general magazines he was reminded again of what he had seen in the trade paper. Then he clipped the coupon or wrote a note asking for information.

"The same procedure might work in either of two ways. But here's the point I am trying to make: *It isn't sufficient to control one stream of thought into the reader's mind. You must color every available stream of thought if you are to secure the maximum effectiveness for your advertising.*"—S. L. MEULENDYKE, secretary, *Marschalk and Pratt, before the T.P.A.*

From Mine to Mrs.

"The potential ascendancy of the sales executive comes partly as luck; and partly as a reward for long service, service in its highest sense. Your position in the past has been somewhat that of the small boy who told his mother that he was head of the class—when they stood in a circle!

"Economists must *professionally* throw themselves, like the natives of India, under their statistical juggernauts. Bankers profit by bowing down to their bookkeeping. But salesmen cannot. We are dedicated to the more human belief that people can be *made* to buy—that goods can be made that people *will* buy—that things can be arranged so that people *can* buy.

"For years, therefore, while all the others have sat around in quiet contemplation of profits and processes, salesmen have been hustling around learning something about *people*. Advertising-minded men have kept industry in contact with human needs. So, as the time comes now for our whole commercial mechanism to replace exploitation with service, you gentlemen, once high privates in the rear rank, merely face about to become captains of industry.

"The manufacture of customers will soon be recognized as the prime essential in any industrial process. Each production job will be seen to *end* with the finished customer, as obviously as it *starts* with the raw material. Costs will be figured on the complete job—from the mine to the Mrs., as it were."—KENNETH GOODE, *The Biow Company, before the Sales Executive Club of New York*.

\$9.95 or \$10.40

"One of the most widespread fallacies of today is that if we can offer for sale any article at just under \$1 or \$2 or \$10 or \$100, the public will be impressed by that fact. So you see prices of \$99.75 or \$9.95 or 99 cents with great frequency. I am convinced this is all wrong. I am convinced that \$99 still looks to the public very much like \$100, and that even \$103 or \$104 or \$105 still look about the same as \$100. In fact, I had the opportunity to make certain tests of this which strengthened that conviction. My test indicated certainly up to 5 per cent over the dollar or ten dollar price, the basic idea still holds. In some cases sales were unaffected by changes of price even 10 per cent above the dollar or the ten dollar or the hundred dollar unit. I wonder if there have been any other experiments along these lines and whether they would agree with my results."—OSWALD KNAUTH, of *R. H. Macy & Company*.

1933'S BEST BET FOR INCREASING SALES

● Is there one piece of strategy a manufacturer can resort to for increasing sales which every one of his competitors has not, up to this time, taken advantage of?

● Of the five salient competitive factors:

UTILITY
QUALITY
ADVERTISING
PRICE
APPEARANCE

the first **four** have been exploited, in varying degrees of effectiveness, by almost every manufacturer.

● But the cheapest, surest, quickest way of gaining a competitive advantage has for the most part been neglected—**APPEARANCE**. Four out of five consumers fall for it—but not one out of five manufacturers, up to now, has played it up for all it's worth in terms of sales. And that very oversight on the part of most manufacturers is what makes product appearance such a good bet for the few astute enough to use it as a sales tool. How can you be sure that a change in the **APPEARANCE** of your product—or package—will be for better—and not for worse?

● The nearest guarantee to a successful product or package design project lies in the selection of a **competent** industrial design service. Fortify yourself with complete information about available industrial design services, without obligation to you, and in confidence if you prefer it.

● Such information and recommendations available through

R. S. McFADDEN
36 East 58th Street
New York City

CLEARING HOUSE OF PRODUCT DESIGN
INFORMATION

Media and Agencies

New Newsmagazine

News-Week, a newsmagazine "keyed to a new tempo of pictorial and editorial interpretation of current events," will appear February 17. Headquarters are in the new RKO Building, New York.

Captain T. J. C. Martyn, publisher and general manager, began the foundation work ten years ago when he became the first foreign editor of *Time*. Three years with *Time*, seven years with the *New York Times Magazine*, prepared him.

"One magazine," Captain Martyn told SALES MANAGEMENT, "cannot be sufficient



Photos by Blank-Stoller

Rea and Martyn

unto itself or to the whole nation. Every great city in the United States has more than one newspaper. Yet the whole country has but one newsmagazine. That newsmagazine, brilliantly edited, reaches only a small part of the newspaper-reading public—the people who should most logically be interested in the supplementary service performed through a weekly summation of news."

Edward L. Rea, of the advertising staff of *Parent's Magazine*, joined Captain Martyn in the preliminary planning, some thirteen months ago, becoming executive vice-president and advertising director when the organization was set up.

Questionnaires indicated that thousands of people were interested in subscribing to their idea of a newsmagazine:

(1) Pictorial—action news-photographs, rather than portrait studies of the men and women in the news. A cover design dramatizing the week with seven pictures high-spotting the most significant events. And going to press after the rest of the magazine has closed.

(2) Editorial—not a rewriting of newspapers and periodicals, for that type of editing is already being performed. Rather a completely interpretive, or perspective, handling of the background as well as the surface of events.

Editorial management will be in charge of S. T. Williamson, for sixteen years a member of the staff of the *New York Times*, in foreign as well as local assignments. J. L. Watkins, general promotion manager, has been with N. W. Ayer, J. Walter Thompson and Young & Rubicam.

The initial capital, of more than \$100,000, was raised by this group and their associates in a period of five months. Starting the first of August, with no money, no salaries, and just the idea, the group traveled some 10,000 miles, interviewed nearly 3,000 prospects and lined up 120 stockholders. No "angel" was wanted, al-

though three large investors offered to completely finance the venture.

The size of the publication will be exactly as that of its forerunner, *Time*. Typographical layout has been designed by Everett Currier, of the Currier Press. The cover design is the work of Gordon Aymar.

Chicago and Pacific Coast offices will be opened shortly, extending the editorial and business facilities of the magazine to the entire country. Reportorial arrangements have, of course, been made and are now in full operation. The press run of the first issue is expected to exceed 70,000. Subscription price will be \$4, with single copies on newsstands at 10 cents.

Ballyhoo on Manhattan

Not only will there be a new "*Time*" but there appears this week (January 18) a new "*New Yorker*." Perhaps both will be improvements. *Manhattan*, tabloid in shape, rather beautiful in type and daring in content (with a list of speakies) is the newest venture of the Delacourte-Anthony team. These two, as you may remember, were responsible for *Ballyhoo*. George Delacourte is publisher (Dell Publishing Company) and Norman Anthony editor. J. Fred Henry is in charge of advertising, of which there is three columns, all paid, in the initial number.

Circulation, chiefly newsstand, is expected to start at 75,000 (the paper is wrapped in a colored cover to make itself more obvious) and will be confined to the metropolitan area, from Bridgeport to Atlantic City, with all of Long Island thrown in. Price 10 cents.

The periodical tasters at SALES MANAGEMENT liked especially the "Theatrical Scoreboard" on page 16, tabulating the number of reviewers who liked the various offerings. Among the plays, "Another Language," "Goodbye Again" and "Twentieth Century" batted 1,000 per cent; Helen Menken's "Saint Wench," O.

Continuity Discount

To infuse a certain consistency in its advertisers, General Outdoor Advertising Company has introduced a "continuity discount" plan to users of its poster service. Contracts for more than one month in the same city or cities get a discount of 1 per cent on the first month's billing—increased by 1 per cent for each successive continuous month up to 12 months.

Valedictory

On this page, October 1, were described the efforts of L. F. Boffey and S. F. Heinritz, editors of *Purchasing*, New York, to obtain independence from advertisers, by boosting the subscription rate from \$2 to \$6 a year.

In the January issue, the editors present their valedictory. "Practically," they admit, "the experiment has not proved successful." Despite a fair proportion of renewals, "we are confronted with the task of recruiting a new body of readers. . . . Under normal conditions this would take months. With conditions as they are, the time required is indeterminate. Meanwhile a deficit

which has cumulatively increased in our last three years of publishing would grow to impossible proportions."

Instead of resuming the former policy of advertiser support (some unfulfilled advertising contracts continued throughout the fall, but there was none at all in January), Messrs. Boffey and Heinritz have decided to retire from the business.

They "prophecy that those who follow in this field of journalistic service will chronicle the complete recognition of purchasing as the fourth factor of management, equal in importance to finance, production and sales."

Personalia

Robert G. Yost has closed up his agency in St. Louis to rejoin the St. Louis organization of Gardner Advertising Company. . . . Captain Enoch Brown, Jr., has resigned as advertising director of the Atlanta *Constitution* to become advertising director of the *Commercial Appeal* and *Evening Appeal*, Memphis. The Branham Company now represents these Memphis papers nationally. . . . Karl Knipe, until recently executive assistant of the Reuben H. Donnelley Corporation, is now sales manager of the Columbia Broadcasting System, working under H. K. Boice, vice-president in charge of sales. Columbia, incidentally, has established Radio Sales, Inc., with headquarters in New York, to handle the business of the seven Columbia-operated stations: WBBM, Chicago; KMOX, St. Louis; WCCO, Minneapolis - St. Paul; WJSV, Washington, D. C.; WKRC, Cincinnati; WBT, Charlotte, and WPG, Atlantic City. Roger E. Vernon is president. Robert B. Stephenson, vice-president in charge of the Chicago office. . . . George P. Johansen, recently with Paul Block Associates, has joined Peck Distributing Corporation, sample purveyors, as vice-president in charge of sales. . . . E. W. Parsons, former advertising director Chicago *Tribune*, is now with Beckwith Special Agency. . . . Frank W. Hatch and Maurice Collette have been elected directors of Batten, Barton, Durstine & Osborn. Mr. Hatch is with the Boston office. . . . WHB, Kansas City, has appointed Free & Sleinger, Inc., as its Chicago representative. . . .

Account Changes

The year's start brings a lot of changes in advertising accounts, some of them important. Some of them—A & P, Goodrich, Goodyear—are mentioned on page 72 of this issue. Then there is Hudson Motor Car Company to Blackman Company. Blackman has established a Detroit office, at 1959 Jefferson Avenue East, to facilitate production on this account. George Johnston, former Hudson sales executive is in charge. Mark Wiseman has resigned as Blackman partner to become general advertising director of Hudson.

Also: New England Gas Association, Nu-Shine Company, and Ivanhoe Foods, mayonnaise, are now with N. W. Ayer & Son; Canada's Pride Products Company, Johnson's Milco-Malt to Paris & Peart, New York (A & P agency); Bost, Inc. (tooth paste) and Conrad Razor Blade Company to United Advertising Agency.

\$446,000 Sales by Employees

(Continued from page 55)

he passed frequently. He suggested lighting for the station. The proprietor answered that he kept open only in the day, therefore needed no lights; that he lived twenty miles away, so that it would not pay him to keep open at night. The proprietor decided, upon repeated urging, to try out one light. Business improved so appreciably that he moved his family to New Bedford, put in a gas pump, installed a motor and compressor, and lighted his entire place to go after business on a larger scale.

A Rochester woman was preparing for a pretentious party at her lakeside home. She began to have difficulty with her old water heater just at the time when hot water was needed for many purposes. An Associated employee happened to make a call at this time. He convinced the hostess of her need of a new heater, and clinched his sales talk by promising to have a heater installed immediately. The prospect was turned in at the company office at one o'clock that afternoon. The order was signed and the heater installed by three o'clock.

An employee of the gas company in Ashtabula, Ohio, made a call one evening to interest a customer in a water heater. When he called the family was just leaving for a party, and had no one to stay with the baby, as the maid had not yet arrived. The gas company employee offered to watch the baby, and did so until two o'clock in the morning. When the prospect returned the employee got his order.

Another employee was walking with a member of the local fire department which was preparing to give a lawn festival. "Then you will need some lamps," the employee suggested. The result was that the fire department purchased thirty 75-watt and thirty 100-watt lamps.

One of the employees of an Associated water property on Long Island noticed that a manufacturer of beverages was using water from a well. The water company employee suggested that as the purity of this well water was unknown, perhaps the quality of the drinks would be improved and their appeal to customers strengthened if they were made with pure water. He said that he would himself be a better customer if he knew that the drinks were made of pure water. The result was a sale of the water company's service.

A service man of this same water company while working in the street

before a house overheard the housewife drawing water from her pump in the backyard and complaining to her neighbor of the difficulty she was having with her washing. The clothes did not look clean, she said, and the water had a bad odor. Over the back fence the employee persuaded her to use his company's water service.

A bag containing a combination of a heating pad, coffee maker, iron, waffle iron and toaster is being featured in Cambridge, Massachusetts. One employee called at a doctor's home, and found the doctor suffering with neuritis. The employee asked to demonstrate the heating pad. The doctor acquiesced, was immediately relieved, bought the heating pad and all the other contents of the bag, and an electric washer and ironer for good measure.

These cases are sufficient to indicate the alertness for opportunities to sell and to serve which is becoming increasingly characteristic of Associated employees. It is this attitude upon which the Associated System depends to promote its business during these uncertain times, and at the same time to give maximum service to its customers.

Philadelphia Launches \$20,000,000 Drive for Repair Work

The expenditure of \$20,000,000 for the renovation, repair and rehabilitation of Philadelphia homes, office buildings and factories is being sought in a "Renovize Philadelphia" campaign, January 3-21. Five thousand canvassers are engaged in seeking jobs for the unemployed.

The city and suburbs have been mapped into 22 districts, each under the command of a "colonel." Each colonel has a woman assistant, or "co-colonel." Then there are majors, captains and others. The organizations are visiting every door with renovize pledges.

At the head of the volunteer workers in the house-to-house canvass is F. M. Milward Oliver, vice-president and general manager of the Philadelphia Gas Works Company. Mrs. Gustav Ketterer and Miss Mary Johns Hopper are directing women's activities. William A. Law, president of the Penn Mutual Life Insurance Company, is general chairman.

Is Branch House Overhead Causing You Losses?



IF YOUR sales volume is down, and it is costing you dearly to maintain branch houses in these times—let us make this common-sense suggestion: **Close your branches, and use A. W. A. Warehouses instead!**

It will cut your distribution costs . . . actually *improve* your service to your customers . . . yet confine your expenses to the volume of goods moving!

Imagine better branch house service than you've ever had before—but no lease, no labor pay-roll, no fixed expense! You pay on a "piece work basis" only, for goods actually stored or distributed!

Our 32-page booklet, which will be sent free on request, describes in detail the A. W. A. Plan of Distribution—through merchandise warehouses located in 189 principal American cities. These warehouses receive your merchandise in car load or less-than-carload lots . . . store it until needed by wholesalers, dealers or users . . . then deliver it where it is wanted. In effect, these warehouses become your branch house in each city you select . . . storing and distributing your goods . . . handling your orders . . . keeping in touch with you through daily stock reports.

Send today for the A. W. A. booklet. You will find it helpful in aiding you to meet today's problems.



**AMERICAN
WAREHOUSEMEN'S
ASSOCIATION**

2037 Adams-Franklin Bldg., Chicago, Ill.

The Rise of Mayer's Wieners

(Continued from page 56)

way to make some money. Buy just one or two of these hams. Use our window displays, our counter cards and other advertising freely. Put the ham or two on the counter.

"Don't sell that ham or two. That's the sample. We give you a batch of order blanks. Take the order first. Deliver the ham later. Simple, isn't it? No investment. No inventory in hams to carry after Easter.

Results? There's one butcher who reports that he bought one ham, displayed it, and took orders for sixty!

Oscar Mayer's hams showed an increase in volume in 1931 of 750 per cent.

Something else—

These drives affect the sale of other items throughout the Oscar Mayer line. With a ham-special or a wiener-special the Mayer salesman often manages to get a foothold in a shop for the first time—the entering wedge.

When the dealer finds that one or two Oscar Mayer items sell he's more likely to listen to a further story. In time the whole Oscar Mayer line may find itself entrenched in the store. This method is what might be called, in warfare, a campaign of infiltration. It's getting in and then boring from the inside.

The house of Oscar Mayer hasn't passed a dividend since the depression started. It has discounted every bill. In 1931 it added \$250,000 to surplus. It is in the best financial position that it has been in the 49 years of its existence. It could pay every creditor on the barrel-head today and have money in the bank.

Oscar Mayer is not one of the fabled "Big Four" among the packers; has never tried to be. Hogs, his chief business, bring a kill of about 550,000 a year. That's only twelfth place among the pig-killers.

His peak for money sales, during the era of high prices, was about \$25,000,000 in a year. No great shakes, as the packing business goes.

But the point of it all is that after three years of very bitter business conditions the Oscar Mayer business in volume of pounds and number of transactions has never dropped more than 3 per cent from peak.

Oscar Mayer has never tried to cover the country like the dew. He has been content to select a few choice markets. He limits his line of products—hogs and calves. He limits his field of market. In the beginning he sold only in Chicago and Milwaukee. A little later New York City, Boston,

Cleveland, Washington—a few other spots where men are usually busy and buying power is high.

So he has never felt the need of becoming a national advertiser. He concentrates his selling efforts. All advertising is of quality; dignified. It has been prepared for the last three years by the C. Wendel Muench advertising agency which has planned the campaigns as well.

Oscar Mayer, Sr., who started the business in 1883 in a little retail shop on the site where his general offices now stand, is still on the job daily. Oscar Mayer, Jr., however, is president and general manager of the company. Commenting on present business, he remarked:

"Too few business men, and not many bankers, fully understand what might be called 'the phenomenon of paper profits.' They are likely to think, when prices go up, that they have made money on their inventories. They do not seem to realize that these profits are impounded.

"Sell and the inventories must be replenished at high prices. They need more money, these business men, in times of increasing prices. So they borrow on the inventory at the bank. They get the money, yes, but when prices go down the inventory collapses. And the loan at the bank? That stands.

"Somehow I don't care for the kind of profits that cannot be cashed in without borrowing at the bank. Often these loans have been made to get money to pay dividends. Often they've been made to put up new buildings, to expand. It has been extremely common to make such loans to pay taxes—but probably that can't be helped.

"The point I'm trying to bring out, however, is that here's a very grave peril, facing thousands of businesses, which is given little thought and is little understood. SALES MANAGEMENT can serve a real purpose if it will get the executives of the nations to thinking more about it."

Timken Stars Cuba-Bound

One hundred members of the Hundred Point Club, star salesmen's organization of Timken Silent Automatic Company, Detroit, sailed on the Ward liner *Morro Castle* January 14, for a cruise to Cuba. The club is composed of branch managers, dealers and salesmen who have made their quotas in the current fiscal year. These men have been largely responsible for keeping Timken in first position in oil burner sales.

Maxwell House, Prices Lower, Launches Fight on Which Is "Freshest"

Maxwell House—principal coffee brand of General Foods Corporation, New York—has just taken a couple of competitive bulls by the horns.

In announcing a price reduction of 5½ cents a pound, most drastic in its history, Maxwell House is out to wrest some sales supremacy from the Great Atlantic & Pacific Tea Company, all three of whose principal brands have been sold at lower prices. Without mentioning A & P, of course, Maxwell House says that the "new price level is solely the result of a decision to make available a high-grade coffee to millions of coffee lovers who have been influenced by pressure of economic conditions to use lower quality brands." (A & P's highest-priced blend, Bokar, is generally ranked about even with Maxwell House and other of the fastest selling "nationally advertised" brands.)

Meanwhile, Maxwell House will start in magazines next month a campaign "To a Lady," in which it will be said that, owing to the Vita-Fresh process, "it is quite impossible for any coffee to be fresher than Maxwell House." In this program General Foods will proceed to lock horns with Standard Brands, whose Chase & Sanborn brand has made rapid strides on a "dated coffee" appeal.

Three hundred thousand dealers have been notified of the price reduction, of the launching of the new four-color magazine series, and of the continuance of the radio program.

DMAA Widens Its Scope in Recovery Program

To "hasten recovery with efficient direct mail," the board of governors of the Direct Mail Advertising Association, in recent quarterly meeting, announced the launching of a third division of the association, to include suppliers of materials, in addition to the present divisions, users and producers. Raymond Wingar, vice-president of Addressograph-Multigraph Corporation, and Edson S. Dunbar, advertising manager of Crocker-McElwain Paper Company, have been elected members of the board from the new group.

F. L. Pierce will serve the enlarged organization, according to the announcement of Eliot L. Wight, president, as secretary for direct mail users, and Paul Van Auken as secretary for direct mail producers and suppliers.

How Far Will They Go to Buy?

(Continued from page 66)

chants in the large places handling the same lines because of his small volume of sales. When buying shopping goods, people like to compare price, quality, color, etc. The stocks found in small towns limit such comparisons. When buying convenience goods comparison is not essential. It is well known that the operating expenses of merchants in small towns are lower than those of merchants in larger places. If the merchant of the small town would handle convenience goods on a close margin, he could probably speed up his turnover and secure a higher return on the capital invested. He could let the shopping goods trade go to the merchants of the larger towns and not burden his more profitable lines with items for which he has few calls and on which he cannot provide adequate service.

"From the answers 'produce market' and the average distance traveled, it would appear that the merchants of the smaller places could secure more of the farm trade if there were closer cooperation between the merchants and farmers in disposing of farm produce. Probably, as was suggested by one answer, if the produce market in Champaign could be expanded to handle a large volume of well-graded produce, merchants in that city would draw still more trade from the smaller towns and the surrounding territory."

Some of the individual comments and criticisms made by consumers, quoted in the bulletin, are important. That merchants in the Champaign-Urbana area do not advertise enough, or that the advertising they are doing is not so effective as it might be, was definitely indicated by the answers to "Name ways in which the merchants could do no more for you than they now do." More and better advertising was mentioned specifically in a number of cases. Many other answers to the same question indicated the lack of attention that has been given to good retail salesmanship.

Some of the comments:

"In my opinion a town that draws trade is one where the merchants are courteous and helpful. No one likes to buy from one who is not pleasant. The matter of price does not in my opinion enter into a place where value is given for amount charged, provided the merchant is wide awake and knows the quality he is selling and frankly and honestly tells his customers the difference."

"Employing sales people who meet customers well."

"Offer their wares with more courtesy and sincerity."

"Give better service by having more efficient help and training that help to remember the customer is always right."

"I am satisfied with the service given at any of the towns I have named. I once went to a well-known department store in ——. I had seen an advertisement of odds and ends of shoes at a very cheap price. The two clerks in the shoe department were very disdainful of my small purchase. At that time it was necessary for me to be very saving. Now I am financially able to spend more money. I do not go there to trade, however. My trade is for the store which was courteous, even over a small purchase."

Copies of the complete bulletin may be obtained from the Bureau of Business Research, University of Illinois, Urbana.

How Collegians Spend: \$300 Annually at Berea; \$2,000 at Bryn-Mawr

Inadvertently, perhaps, the Union Central Life Insurance Company, Cincinnati, in presenting parents with a detailed picture of what it cost to send their "children" to each of several hundred colleges, has also presented a lot of data on how much the college market spends.

The data are presented in a booklet, "A Place in the Sun," designed to show that college education is almost prerequisite to success in every line of endeavor, and the Union Central's plan of guaranteeing it (the education).

The total average annual cost of a student is found to range from \$300 at Berea College in Kentucky (only Appalachian mountaineers admitted) to \$2,000 in Bryn-Mawr, women's finishing place near Philadelphia.

Vassar women go in a bit heavier for the clothes and misc., \$350 to \$1,000, but pay only \$400 for tuition, and \$66 a month for board and room, for an annual average of \$1,800; Wellesley women average up to \$1,800; Smith only \$1,600.

Yale is the most expensive of the men's "big three"—averaging \$1,650, as against \$1,600 for Harvard and \$1,500 for Princeton. Yale men pay \$450 to \$500 for tuition; \$50 to \$72 for board and room; \$260 to \$1,000 for clothes and misc.; Harvard men, \$400 for tuition; \$20 to \$45 for board and room, but \$350 to \$1,000 for clothes and misc. Princeton's tuition is \$450; board and room is only \$20 to \$35, but the clothes and misc. match Harvard's, \$350 to \$1,000.



Direction: S. GREGORY TAYLOR

In the heart of the city, but not of it... in New York, yet surrounded by that delightful continental atmosphere... gay... charming... different... the rendezvous of sophisticated... of people who appreciate the beautiful vista of Central Park... and even more interesting are the rates... attractive, comfortable rooms as low as four dollars per day.

The CONTINENTAL GRILL is always popular for dinner and supper dancing... Harold Stern's marvelous music.

And the last word for luncheon or tea in the European manner... the international rendezvous, RUMPELMAYER'S.



New Business Books Recently Received

Fear—The Autobiography of James Edwards. By John Rathbone Oliver. Published by The Macmillan Company, New York City. Price \$1.00.

How to Use English. By Frank H. Vizetelly. Published by Funk & Wagnalls Company, New York City. Price \$2.50.

The Advertising Agency Looks at Radio. Edited by Neville O'Neill. Published by D. Appleton and Company, New York City. Price \$3.00.

Modern Poster Annual, Vol. 9, 1933. Published by Broun Studio Publications, New York City. Price \$5.00.

America Speaks. By F. W. Bond. Published by F. W. Bond, Winnetka, Illinois. Price \$2.50 per copy—reductions in quantity.

Careers in Advertising. Edited by Alden James. Published by The Macmillan Company, New York City. Price \$5.00.

Tested Selling Sentences. By Elmer Wheeler. Published by John Murphy Company, Baltimore, Maryland. Price \$5.00.

A New Deal. By Stuart Chase. Published by the Macmillan Company, New York City. Price \$2.00.

How a Traveler Can Get More Orders. By Herbert N. Casson. Published by the Efficiency Magazine, London. Price 1/-.

Creative Salesmanship. By Herbert N. Casson. Published by the Efficiency Magazine, London. Price 5/-.

Industrial Psychology. By Morris S. Viteles. Published by W. W. Norton & Company, Inc., New York City. Price \$5.50.

Advertising Allowances. By Leverett S. Lyon. Published by The Brookings Institution, Washington, D. C. Price \$1.00.

Readings in Economic Planning. By J. George Frederick. Published by The Business Bourse, New York City. Price \$3.50.

Still More Toasts. By Helen Muller. Published by The H. W. Wilson Company, New York City. Price \$1.80.

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Via Providence, thence by bus or rail
PROVIDENCE \$3.00 Round Trip \$4.50 Round Trip \$6.00

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Sailings every day and Sunday, Pier 11, N.R. at Liberty St., 6 P.M. Tel. Barclay 7-1800. OUTSIDE rooms running water \$1 up. Dancing—Music by Jack Frost Colonial Orchestra.

"Special Week-End Excursions"

COLONIAL STEAMSHIP LINES

Thinking in Business. By Herbert N. Casson. Published by the Efficiency Magazine, London. Price 5/-.

Industrial Management in This Machine Age. By Francis A. Westbrook. Published by Thomas Y. Crowell Company, New York City. Price \$3.50.

Selling Simplified. By Leon Epstein. Published by Harper & Brothers, New York City. Price 25 copies, \$4.75—100 copies, \$15.00—500 copies, \$62.50—1,000 copies, \$100.00.

The Consumer—His Nature and His Changing Habits. By Walter B. Pitkin. Published by The McGraw-Hill Book Company, New York City. Price \$4.00.

Psychology Simplified. By C. W. Chamberlain, Ph.D. Published by Schnepf & Barnes, Springfield, Illinois. Price \$1.10 prepaid.

Public Speaking Simplified. By C. W. Chamberlain, Ph.D. Published by Schnepf & Barnes, Springfield, Illinois. Price \$1.10 prepaid.

Recent Social Trends—a report of the president's research committee on social trends. Two volumes. Published by the McGraw-Hill Book Company, New York City. Price \$10.00.

Personal Service and Supplies

Classified Rates: 50c a line of seven words; minimum \$3.00. No display Cash Basis Only. Remittance Must Accompany Order

POSITION WANTED

IS BUSINESS SLOW WITH YOU? THEN new blood in your organization is a good idea. I am interested in new connection; am 41 years old and have had sales, advertising, sales promotion and management experience with manufacturers and wholesalers in auto accessories and hardware. Please address Box 359, SALES MANAGEMENT Magazine, 420 Lexington Ave., N. Y.

SALES BUILDER AND TEAM WORKER AVAILABLE NEXT WEEK—A man who has served successfully for the past eight years (through four changes of management!) as sales and advertising manager of one of the best known companies in America, is seeking a connection where stability of management will allow a permanent future. He is thirty-nine years old, happily married and blends Scotch conservatism with American enthusiasm. His business experience of fourteen years covers sales and advertising executive work with companies selling the department store, hardware and jewelry trades. He is highly recommended by all former employers. Title and salary are secondary but he prefers a moderate salary with some commission arrangement on increased sales over a given amount. Address Box 362, SALES MANAGEMENT, 420 Lexington Avenue, New York, N. Y.

NEW YORK SALES—ARE YOU GETTING satisfactory results from this market? Man available, 39 years old, sales and management experience 15 years in New York. Trained in electrical and building material field as district and sales manager. Compensation based on results produced. Box 363, SALES MANAGEMENT, 420 Lexington Avenue, New York, N. Y.

EXECUTIVES WANTED

IF YOU ARE OPEN TO OVERTURES FOR new connection and qualified for a salary between \$2,500 and \$25,000, your response to this announcement is invited. The undersigned provides a thoroughly organized service of recognized standing and reputation through which preliminaries are negotiated confidentially for positions of the calibre indicated. The procedure is individualized to each client's personal requirements, your identity covered and present position protected. Established twenty-three years. Send only name and address for details. R. W. Bixby, Inc., 118 Delward Building, Buffalo, N. Y.

NEW YORK BRANCH MANAGER WANTED. Old established company making sales binders, portfolios, brief cases and sales kits for manufacturers, advertising agencies and publishers wants a man capable of developing the New York territory and closing the numerous inquiries which develop from that section. The man must be able to finance himself but commissions are generous and mount rapidly. The company will back him up with continued aggressive business paper advertising and direct mailings to prospects. It is an unusual opportunity for a man who has had experience in training and equipping sales organizations. Give full details of qualifications. Box 364, SALES MANAGEMENT, 420 Lexington Avenue, New York, N. Y.

SALES PROMOTION

\$50 to \$50,000 DAILY SALES SECURED FROM our clients. This distributor took on a new specialty, retailing at \$60. His first purchase \$12. We submitted a sales program capable of national expansion. Within four years his sales were nationwide, running to \$100,000 monthly. 35 years salesmanship-in-print experience back of our campaigns. Submit sales problems for free diagnosis. 10 years Sales Promotion Manager, Larkin Co. James C. Johnson, 119 Woodbridge Ave., Buffalo, N. Y.

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